

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your shares in **Merdeka Resources Holdings Limited** (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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MERDEKA
MERDEKA RESOURCES HOLDINGS LIMITED
(萬德資源集團有限公司*)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8163)

**PROPOSED SHARE CONSOLIDATION
AND
CHANGE IN BOARD LOT SIZE
AND
PROPOSED CAPITAL REDUCTION AND SUB-DIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 5 to 13 of this circular.

A notice convening the EGM to be held on Friday, 11 January 2013 at 11:00 a.m. at Lily Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong is set out on pages 14 to 16 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least seven days from the day of its publication and posting and will be published and remains on the website of the Company at <http://www.merdeka.com.hk>.

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation, change in board lot size, the Capital Reduction and the Sub-division. The timetable is subject to the results of the EGM and the approval from the Court. The Company will notify the Shareholders of any changes to the expected timetable by way of announcement(s) as and when appropriate.

(Hong Kong time)

Latest time for lodging proxy form of EGM 11:00 a.m. on Wednesday,
9 January 2013

Expected time and date of the EGM 11:00 a.m. on Friday,
11 January 2013

Announcement of result of the EGM Friday, 11 January 2013

The following events are conditional on the results of the EGM. The dates are therefore tentative.

Effective date of the Share Consolidation Monday, 14 January 2013

Dealings in the Consolidated Shares commences 9:00 a.m. on Monday,
14 January 2013

Original counter for trading in Shares
(in board lots of 40,000 Shares) closes 9:00 a.m. on Monday,
14 January 2013

Temporary counter for trading
in the Consolidated Shares in board lots of
1,000 Consolidated Shares
(in form of existing share certificates
in yellow colour) opens 9:00 a.m. on Monday,
14 January 2013

Free exchange of existing share certificates
for new share certificates for the Consolidated
Shares in blue colour commences Monday, 14 January 2013

Original counter for trading in the Consolidated Shares
(in board lots of 10,000 Consolidated Shares) re-opens 9:00 a.m. on Monday,
28 January 2013

Parallel trading in the Consolidated Shares
(in form of new share certificates in blue colour and
existing share certificates in yellow colour) begins 9:00 a.m. on Monday,
28 January 2013

EXPECTED TIMETABLE

Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares 9:00 a.m. on Monday, 28 January 2013

Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in form of existing share certificates in yellow colour) closes 4:00 p.m. on Wednesday, 20 February 2013

Parallel trading in the Consolidated Shares (in form of new share certificates in blue colour and existing share certificates in yellow colour) ends 4:00 p.m. on Wednesday, 20 February 2013

Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares 4:00 p.m. on Wednesday, 20 February 2013

Free exchange of existing share certificates for new share certificates for the Consolidation Shares in blue colour ends 4:30 p.m. on Friday, 22 February 2013

The following events are conditional on the approval from the Court. The dates are therefore tentative.

Effective date for the Capital Reduction and the Sub-division Monday, 6 May 2013

First day for free exchange of existing share certificates for new share certificates for New Shares (one day after the effective date due to time difference between Hong Kong and Cayman Islands) 9:00 a.m. on Tuesday, 7 May 2013

Last day for free exchange of existing share certificates for new share certificates for New Shares 4:30 p.m. on Friday, 7 June 2013

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Announcement”	the announcement of the Company dated 6 December 2012 in respect of, among other things, the proposed Share Consolidation, change in board lot size and the proposed Capital Reduction and the Sub-division
“Board”	the board of Directors
“Business Day(s)”	a day on which banks in Hong Kong are generally open for business (other than a Saturday or Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“Capital Reduction”	The proposed reduction of the par value of each issued Consolidated Share from HK\$0.40 to HK\$0.01 by cancelling paid up capital to the extent of HK\$0.39 on each Consolidated Share
“Company”	Merdeka Resources Holdings Limited (Stock Code: 8163), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of the Company with a par value of HK\$0.40 each upon the Share Consolidation becoming effective
“Convertible Bonds”	the Zero Coupon Convertible Bonds due 12 August 2014 all issued by the Company on 12 August 2008 and extended on 30 May 2011 with total outstanding principal amount of HK224,880,000 as at the date of this circular
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving, inter alia, the Share Consolidation

DEFINITIONS

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	17 December 2012, being the latest practicable date for the purpose of ascertaining certain information included in this circular
“Listing Committee”	has the meaning ascribed to this term under the GEM Listing Rules
“New Share(s)”	New ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company after the Capital Reduction and the Sub-division becoming effective
“Option(s)”	the option(s) to subscribe for Shares under the Share Option Scheme
“PRC”	People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the proposed consolidation of every forty (40) Shares of HK\$0.01 each into one (1) Consolidated Share of HK\$0.40 each
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2012
“Share(s)”	Existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Registered holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	The sub-division of each authorised but unissued Consolidated Share into 40 New Shares

MERDEKA

MERDEKA RESOURCES HOLDINGS LIMITED

(萬德資源集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

Executive Directors:

Mr. Cheung Wai Yin, Wilson
(Chairman and Chief Executive Officer)
Mr. Lau Chi Yan, Pierre
Mr. Ma Hang Kon, Louis

Non-executive Director:

Mr. Wong Chi Man

Independent Non-executive Directors:

Mr. Lam Kin Kau, Mark
Ms. Yeung Mo Sheung, Ann
Mr. Lau Ho Wai, Lucas

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

Principal office in Hong Kong:

Room 1903A
The Sun's Group Centre
No 200 Gloucester Road
Wanchai, Hong Kong

18 December 2012

To the Shareholders,

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION
AND
CHANGE IN BOARD LOT SIZE
AND
PROPOSED CAPITAL REDUCTION AND SUB-DIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement relating to the proposed Share Consolidation, change in board lot size, the proposed Capital Reduction and the Sub-division.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further information on the proposed Share Consolidation, change in board lot size, the proposed Capital Reduction and the Sub-division and a notice of the EGM.

PROPOSED SHARE CONSOLIDATION

The Board proposes to effect the Share Consolidation on the basis that every forty (40) Shares of HK\$0.01 be consolidated into one (1) Consolidated Share of HK\$0.40 each. As at the Latest Practicable Date, the authorized share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Shares, of which 8,578,649,000 Shares are in issue and fully paid. Upon the Share Consolidation becoming effective, the authorized share capital of the Company will become HK\$200,000,000 divided into 500,000,000 Consolidated Shares.

Conditions of the Share Consolidation

The Share Consolidation will be conditional upon the following:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (b) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be issued and allotted upon the Share Consolidation becoming effective.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Shares and at the request of the Stock Exchange, the Board proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares.

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

EFFECTS OF SHARE CONSOLIDATION

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, which is estimated at approximately HK\$160,000, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled. The Consolidated Shares shall rank *pari passu* in all respects with each other.

LETTER FROM THE BOARD

Listing Application for Consolidated Shares

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Save as the above application for the listing of and permission to deal in the Consolidated Shares on the Stock Exchange, no part of equity or debt securities of the Company is listed or dealt in on other stock exchange.

Exchange of share certificates arrangement

Should the Share Consolidation become effective, Shareholders may, during the period from 14 January 2013 to 22 February 2013 (both days inclusive) during the business hours, submit existing certificates for the Shares in yellow colour to the Company's branch share registrar, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for new share certificates in blue colour for the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the branch share registrar of the Company for exchange. Thereafter, certificates for existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for Consolidated Shares. Existing certificates for the Shares will cease to be good for delivery but will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time at the expense of the Shareholders.

CHANGE IN BOARD LOT SIZE

The Shares currently traded in board lots of 40,000 each. The Company proposes to change the board lot size of the Consolidated Shares to 10,000 each upon the Share Consolidation becoming effective.

Odd lot arrangements and fractional Consolidated Shares

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares, the Company has agreed to procure an arrangement with Cheong Lee Securities Limited to stand in the market to provide matching services for the odd lots of the Consolidated Shares on a best effort basis. Holders of odd lots of Consolidated Shares who wish to take advantage of this trading facility to dispose of or top up odd lots should contact Mr. Hung Hing Man at (852) 3426 6324 of Cheong Lee Securities Limited at Room 1106, 11th Floor, Mass Mutual Tower, 38 Gloucester Road, Wanchai, Hong Kong during the period from 28 January 2013 to 20 February 2013, both days inclusive.

Holders of Consolidated Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Consolidated Shares will not be guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above arrangement.

LETTER FROM THE BOARD

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

PROPOSED CAPITAL REDUCTION AND SUB-DIVISION

Subject to the Share Consolidation becoming effective, the Board proposes to effect the Capital Reduction pursuant to which the par value of each of the issued Consolidated Shares will be reduced from HK\$0.40 to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.39 per issued Consolidated Share resulting each issued Consolidated Share of HK\$0.40 each be treated as one fully paid-up New Shares of HK\$0.01 each in the capital of the Company and any liability of the holders of such shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied and that the amount of issued capital thereby cancelled be made available for issue of New Shares in the Company. As such, the authorized share capital of the Company of HK\$200,000,000 shall remain unchanged upon the Capital Reduction and the Sub-division becoming effective. Part of the credit arising from such reduction will be applied towards cancelling the accumulated losses of the Company as at the effective date of the Capital Reduction, while the balance will be transferred to a distributable reserve account of the Company where it may be utilized by the Directors in accordance with the articles of association of the Company and all applicable laws.

The following table shows the amount of issued share capital of the Company, changes in the distributable reserve and accumulated losses of the Company before and after the Share Consolidation and Capital Reduction:

	Before Share Consolidation and Capital Reduction (HK\$)	After Share Consolidation and Capital Reduction (HK\$)
Issued share capital	85,786,490	2,144,662
Distributable Reserve Account	639,969,146	723,610,974
Accumulated losses (unaudited)	63,894,934	–
	(as at 30 September 2012)	

Immediately following the Capital Reduction becoming effective, each authorized but unissued Consolidated Share will also be sub-divided into 40 New Shares with a par value of HK\$0.01 each.

LETTER FROM THE BOARD

On the basis of the existing issued share capital of the Company and assuming no further issue of new Shares from the Latest Practicable Date up to the date on which the Shares after the Share Consolidation and up to the date on which the Capital Reduction and the Sub-division becoming effective. The authorized share capital of the Company will be HK\$200,000,000 divided into 20,000,000,000 New Shares with a par value of HK\$0.01 each, of which 214,466,225 New Shares will be in issue.

All New Shares will rank *pari passu* in all respect with each other and be subject to the restrictions contained in the Company's memorandum and articles of association. Other than the expenses to be incurred in relation to the Capital Reduction and Subdivision, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

Conditions of the Capital Reduction and the Sub-division

The Capital Reduction and the Sub-division are conditional upon the following:

- (1) the Share Consolidation becoming effective;
- (2) the passing of the necessary resolution by the Shareholders approving the Capital Reduction and the Sub-division at the EGM;
- (3) the Court approving the Capital Reduction and compliance with any conditions the Court may impose;
- (4) the registration of the Court's order confirming the Capital Reduction and minute approving by the Court containing the particulars required under the Companies Laws of the Cayman Islands with respect to the Capital Reduction and the Sub-division with the Registrar of Companies of the Cayman Islands;
- (5) the GEM Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the New Shares to be in issue upon the Capital Reduction and the Sub-division becoming effective; and
- (6) the holders of the Convertible Bonds approving the Capital Reduction.

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares to be in issue upon the Capital Reduction and the Sub-division becoming effective.

The Capital Reduction shall become effective upon registration of the Court order and other relevant documents with the Registrar of Companies of the Cayman Islands. The Capital Reduction will not entail any amendments to the Company's memorandum and articles of association.

LETTER FROM THE BOARD

Reasons for the Capital Reduction and the Sub-division

As at 30 September 2012, the Company had unaudited accumulated losses of approximately HK\$63,894,934. It is expected that the accumulated losses of the Company will be eliminated after the Capital Reduction. It will therefore facilitate any dividend payment by the Company as and when appropriate in the future. The Sub-division is necessary to sub-divide the par value of each of the authorized but unissued Consolidated Shares from HK\$0.40 to HK\$0.01 so that the par value of all issued and unissued New Shares will be HK\$0.01.

Therefore the Directors consider that the Capital Reduction and the Sub-division are in the interests of the Company and the Shareholders as a whole.

Exchange of share certificates

Subject to the Capital Reduction and the Sub-division being approved by the Court and becoming effective, tentatively, Shareholders may, during the period from 7 May 2013 to 7 June 2013, submit share certificates for the Consolidated Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the New Shares. Thereafter, share certificates for the then Consolidated Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate issued or cancelled, whichever is higher. Nevertheless, share certificates for the then Consolidated Shares will not be acceptable for trading purposes but will continue to be good evidence of legal title and may be exchanged for new share certificates for the New Shares at any time.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY

The following table shows the effects on the share capital of the Company under the Share Consolidation, the Capital Reduction and the Sub-division on the basis of the existing issued share capital of the Company and assuming no further issue of new Shares from the Latest Practicable Date up to the date on which the Share Consideration becoming effective and assuming no further issue of Consolidated Shares after the Share Consolidation up to the date in which the Capital Reduction and the Sub-division becoming effective:

LETTER FROM THE BOARD

Authorised share capital

20,000,000,000	Share with a par value of HK\$0.01 each as at the Latest Practicable Date	HK\$200,000,000
500,000,000	Consolidated Shares with a par value of HK\$0.40 each after the Share Consolidation becoming effective	HK\$200,000,000
20,000,000,000	New Shares with a par value of HK\$0.01 each after the Capital Reduction and the Sub-division becoming effective	HK\$200,000,000

Issued share capital (paid up or credited as fully paid)

8,578,649,000	Shares with a par value of HK\$0.01 each as at the Latest Practicable Date	HK\$85,786,490
214,466,225	Consolidated Shares with a par value of HK\$0.40 each after the Share Consolidation becoming effective	HK\$85,786,490
214,466,225	New Shares issued with a par value of HK\$0.01 each after the Capital Reduction and the Sub-division becoming effective	HK\$2,144,662

OUTSTANDING CONVERTIBLE BONDS AND OPTIONS

As at the Latest Practicable Date, there are (i) outstanding principal amount of HK\$224,880,000 under the Convertible Bonds and (ii) outstanding Options granted under the Share Option Scheme to subscribe for 83,500,000 new Shares.

After the Share Consolidation, the Capital Reduction and the Sub-division become effective, the conversion price of New Shares which fall to be issued upon exercise of the conversion rights attached to the Convertible Bonds as well as the exercise price per Share at which the holders of the outstanding Options may subscribe for Shares upon the exercise of the Options and the number of their outstanding Options will be affected.

The Company will engage the auditors of the Company or an independent financial adviser in accordance with the terms of the Convertible Bonds instrument and the Share Option Scheme to certify in writing as to the adjustments (if any) required to be made in respect of the outstanding Convertible Bonds and the outstanding Options as a result of the Share Consolidation, the Capital Reduction and the Sub-division. The Company will make further announcement(s), when and as appropriate, about the adjustments in due course.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held on Friday, 11 January 2013 at 11:00 a.m. at Lily Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong is set out on pages 14 to 16 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The EGM will be held to consider, and if thought fit, pass the requisite resolutions to approve the Share Consolidation, the Capital Reduction and Subdivision.

No Shareholder has any material interest in the transactions contemplated thereunder. Therefore, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions to approve the same.

In compliance with the GEM Listing Rules, the vote to be taken at the EGM in respect of the resolutions proposed to be approved at there will be taken by poll and an announcement on the results of the EGM will be made by the Company thereafter.

RECOMMENDATION

The Directors are of the opinion that the Share Consolidation, the Capital Reduction and Subdivision are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or management shareholder or their respective associates had any business or interest which competes or may compete with the business of the Group, or has or may have any other conflicts of interest with the Group.

LETTER FROM THE BOARD

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:30 a.m. to 5:00 p.m. on Monday to Friday at the principal place of business of the Company in Hong Kong at Room 1903A, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong from 18 December 2012, the date of this circular up to and including 11 January 2013:

1. the memorandum and articles of association of the Company;
2. the annual report of the Company for the year ended 31 December 2011; and
3. the annual report of the Company for the year ended 31 December 2010.

By the Order of the Board
Merdeka Resources Holdings Limited
Mr. Cheung Wai Yin, Wilson
Chairman and Chief Executive Officer

MERDEKA

MERDEKA RESOURCES HOLDINGS LIMITED

(萬德資源集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Merdeka Resources Holdings Limited (the “**Company**”) will be held on Friday, 11 January 2013 at 11:00 a.m. at Lily Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong for the purposes of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolution and special resolution:

ORDINARY RESOLUTION

1. “**THAT** subject to the fulfillment of all the conditions set out in the section headed “Conditions of the Share Consolidation” in the circular of the Company dated 18 December 2012 (the “**Circular**”), a copy of which has been tabled at the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification, with effect from the date immediately after the date of passing this resolution:
 - (a) every forty (40) ordinary share with a par value of HK\$0.01 each (each a “**Share**”) in the share capital of the Company be consolidated into one (1) share with a par value of HK\$0.40 each (each a “**Consolidated Share**”), such Consolidated Share(s) shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of the Shares contained in the memorandum and articles of association of the Company (the “**Share Consolidation**”); and
 - (b) the Directors be and are hereby authorized to do all things and acts and sign all documents which they consider necessary, desirable, or expedient in connection with the implementation of the Share Consolidation.”

SPECIAL RESOLUTION

2. “**THAT**, subject to and conditional upon (i) the passing of Ordinary Resolution no. 1 above and the Share Consolidation becoming effective; (ii) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the New Shares (as defined below) in issue (or to be issued); (iii) approval by the Grand Court of the Cayman Islands (the “**Court**”) of the Capital Reduction (as defined below);

* For identification purpose only

NOTICE OF EGM

(iv) registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction, upon the date (the “**Effective Date**”) on which the aforesaid conditions are fulfilled:

- (a) the issued and paid up share capital of the Company be reduced by reducing the par value of each issued Consolidated Share of the Company on the Effective Date from HK\$0.40 each to HK\$0.01 each by cancelling the paid-up capital to the extent of HK\$0.39 per issued Consolidated Share (the “**Capital Reduction**”), so that following such reduction (i) each issued Consolidated Share with a par value of HK\$0.40 in the share capital of the Company shall be treated as one fully paid-up share with a par value of HK\$0.01 each in the share capital of the Company (the “**New Share**”) and any liability of the holders of such Shares to make any further contribution to the capital of the Company on each such share shall be treated as satisfied; and (ii) that the amount of the issued share capital of the Company thereby cancelled be made available for issue of new shares of the Company so that the authorized share capital of the Company of HK\$200,000,000 remain unchanged on the Effective Date;
- (b) the credit arising from the Capital Reduction be applied towards cancelling the accumulated losses of the Company as at the Effective Date with the balance to be transferred to the distributable reserve account of the Company which may be utilised by the directors of the Company in accordance with the articles of association of the Company and all applicable laws;
- (c) immediately following the Capital Reduction, each of the authorized but unissued shares with a par value of HK\$0.40 each in the share capital of the Company shall be sub-divided into 40 unissued New Shares with a par value of HK\$0.01 each in the share capital of the Company (the “**Sub-division**”);
- (d) all of the New Shares resulting from the Capital Reduction and the Sub-division shall rank pari passu in all respects and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company; and

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- (e) the directors and the secretary of the Company be and are hereby authorized generally to do all things and sign all documents which they may consider appropriate and desirable to effect and implement the Capital Reduction, application of the credit arising from the Capital Reduction, and the Sub-division.”

By the Order of the Board
Merdeka Resources Holdings Limited
Mr. Cheung Wai Yin, Wilson
Chairman and Chief Executive Officer

Hong Kong, 18 December 2012

Principal office in Hong Kong:
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The Sun's Group Centre
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Hong Kong

Registered Office:
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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
British West Indies

Notes:

1. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the share register of the Company in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the Articles of Association of the Company be deemed joint holders thereof.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the extraordinary general meeting or adjourned meeting.
5. All voting by the members at the Meeting shall be conducted by way of poll.