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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 RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARE FOR EVERY FIVE SHARES HELD ON THE RECORD DATE**

**Underwriter of the Rights Issue  
Cheong Lee Securities Limited**

#### **PROPOSED RIGHTS ISSUE**

The Board proposes to raise not less than approximately HK\$36.67 million but not more than approximately HK\$46.01 million before expenses by issuing not less than 91,671,490 Rights Shares and not more than 115,019,490 Rights Shares to the Qualifying Shareholders by way of the Rights Issue at the Subscription Price of HK\$0.40 per Rights Share on the basis of 2 Rights Shares for every 5 Shares held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders.

The estimated net proceeds of the Rights Issue will be not less than approximately HK\$34.87 million and not more than approximately HK\$43.88 million. The Company intends to apply the net proceeds from the Rights Issue for general working capital.

\* *for identification purposes only*

## **IRREVOCABLE UNDERTAKING**

Mr. Cheung who is interested in 37,712,500 Shares as at the date of this announcement representing approximately 16.46% of the existing issued share capital, has irrevocably undertaken to the Company and the Underwriter that he will accept and procure its associates to accept all the Rights Shares to be provisionally allotted to him and his associates pursuant to the Rights Issue in respect of the Shares held by him and his associates as at the Record Date.

The CB Holders have irrevocably undertaken to the Company and the Underwriter that if any CB Holder shall convert any Convertible Bonds into Shares on or prior to the Record Date, such CB Holder shall accept all the Rights Shares to be provisionally allotted to it pursuant to the Rights Issue in respect of the Shares held by it as at the Record Date.

The Rights Issue is fully underwritten by the Underwriter pursuant to the Underwriting Agreement other than those Rights Shares provisionally allotted to and undertaken to be subscribed by Mr. Cheung and his associates and the CB Holders.

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of this announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

## **GEM LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12 month period immediately preceding the date of this announcement, pursuant to Rule 10.29 of the GEM Listing Rules, the Rights Issue is not conditional on approval by the Shareholders.

## **GENERAL**

The Company expects to despatch the Rights Issue Documents to the Qualifying Shareholders on the Posting Date. The Company will, to the extent reasonably practicable, despatch the Prospectus to the Excluded Shareholders, if any, for their information only. No PAL or EAF will be despatched to the Excluded Shareholders.

## PROPOSED RIGHTS ISSUE

On 11 June 2013 after trading hours, the Company and the Underwriter entered into the Underwriting Agreement in relation to the underwriting arrangements in respect of the proposed Rights Issue.

### Issue statistics

Basis of the Rights Issue	:	2 Rights Shares for every 5 Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	229,178,725 Shares
Number of Rights Shares	:	not less than 91,671,490 Rights Shares (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) and not more than 115,019,490 Rights Shares (assuming no repurchase of Shares and the Outstanding Options and Convertible Bonds are exercised in full on or before the Record Date <sup>Note</sup> )
Subscription Price	:	HK\$0.40 per Rights Share
Number of Rights Shares underwritten by the Underwriter	:	all the Rights Shares other than those provisionally allotted to and undertaken to be subscribed by Mr. Cheung and his associates and the CB Holders, being not less than 76,586,490 Rights Shares and not more than 77,446,490 Rights Shares

#### *Note:*

Assuming further issue of new Shares upon full exercise of the Outstanding Options and Convertible Bonds on or before the Record Date, a total of 58,370,000 new Shares would fall to be issued. Accordingly, an additional 23,348,000 Rights Shares would be issued, in which case the maximum number of Rights Shares that may be issued by the Company pursuant to the Rights Issue will increase to 115,019,490.

As at the date of this announcement:

- (i) there were 2,150,000 Outstanding Options granted under the Share Option Scheme entitling the holders thereof to subscribe for 2,150,000 Shares;
- (ii) there are Convertible Bonds convertible into a maximum of 56,220,000 Shares. The CB Holders have irrevocably undertaken to the Company and the Underwriter not to transfer any Convertible Bonds to any third party on or prior to the Record Date and if any CB Holder shall convert any Convertible Bonds into Shares on or prior to the Record Date, such CB Holder shall not transfer any such conversion shares to any third party and shall accept all the Rights Shares to be provisionally allotted to it pursuant to the Rights Issue in respect of the Shares held by it as at the Record Date.

Save as disclosed above, as at the date of this announcement, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 91,671,490 nil-paid Rights Shares proposed to be provisionally allotted represent 40% of the Company's issued share capital as at the date of this announcement and approximately 28.57% of the Company's issued share capital as enlarged by the issue of the 91,671,490 Rights Shares. The aggregate nominal value of the 91,671,490 Rights Shares will be HK\$36,668,596.

### **Qualifying Shareholders**

The Company will send the Rights Issue Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on 19 June 2013.

## **Closure of register of members**

The register of members of the Company will be closed from 20 June 2013 to 21 June 2013, both days inclusive. No transfer of Shares will be registered during this period.

## **Rights of Overseas Shareholders**

The Rights Issue Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with the necessary requirements of the GEM Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholders. Further information in this connection will be set out in the Rights Issue Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders as soon as practicable. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Excluded Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Excluded Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs.

## **Subscription Price**

The Subscription Price is HK\$0.40 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a premium of approximately 11.11% to the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a premium of approximately 20.48% to the average closing price of HK\$0.33 per Share as quoted on the Stock Exchange for the five consecutive trading days ended on the Last Trading Day;
- (c) a premium of approximately 7.82% to the theoretical ex-rights price of HK\$0.37 per Share based on the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (d) equals to the par value of the Shares.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions and the par value of the Shares. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) after deducting the related expenses of the Rights Issue will be approximately HK\$0.38.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be 2 Rights Shares for every 5 Shares in issue and held at the close of business on the Record Date, being not less than 91,671,490 Rights Shares and not more than 115,019,490 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Rights Issue Documents. Application for all or any part of a provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

### **Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. The aggregate of fractions of the Rights Shares will be sold by the Company in the market, and, if a net premium can be obtained the proceeds will be retained by the Company for its own benefit. Any unsold aggregate of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders. No odd lot matching service will be provided.

## **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

## **Application for excess Rights Shares**

The Rights Shares to which the Excluded Shareholders would otherwise have been entitled, any assured allotments of Rights Shares which have not been accepted by the Qualifying Shareholders, and the Rights Shares created by aggregation of fractional Rights Shares, will be available for excess application by the Qualifying Shareholders. Application may be made only by the Qualifying Shareholders by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and on a pro-rata basis to the excess Rights Shares being applied for under each application.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. Any Rights Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date, must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on 19 June 2013.

## **Share certificates and refund cheques for Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own

risk on or before 17 July 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 17 July 2013 by ordinary post to the applicants at their own risk.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled:

1. the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong one duly certified copy of each of the Rights Issue Documents (and all other documents required to be attached thereto) not later than the Posting Date and in compliance with the GEM Listing Rules and the Companies Ordinance;



2. the posting of the Rights Issue Documents to the Qualifying Shareholders ;
3. the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment), and not having revoked, listing of, and permission to deal in the Rights Shares, in nil-paid and fully-paid forms;
4. compliance by the Company and Mr. Cheung of their respective obligations under the Underwriting Agreement;
5. compliance by the CB Holders of their obligations under the CB Undertaking.

In the event that the above conditions have not been satisfied on or before the Acceptance Date (or such later date as the Underwriter and the Company may agree in writing), all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other parties save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

## **UNDERWRITING ARRANGEMENTS**

### **The Underwriting Agreement**

The principal terms and conditions of the Underwriting Agreement are summarised as below:

Date	:	11 June 2013
Underwriter	:	Cheong Lee Securities Limited
Underwriting commitment of the Underwriter	:	All the Rights Shares other than those provisionally allotted to and undertaken to be subscribed by Mr. Cheung and CB Holders, being not less than 76,586,490 Rights Shares and not more than 77,446,490
Commission	:	3.5% of the aggregate Subscription Price of the Underwritten Shares actually issued as determined on the Record Date

Undertakings : The Company shall not from the date hereof until after the Record Date issue any new Shares or issue or grant any options or other securities convertible into, exchangeable for or which carry rights to acquire Shares save and except for purpose of issuing Shares to the grantee of the Outstanding Options or the CB Holders.

The Rights Issue is fully underwritten by the Underwriter pursuant to the Underwriting Agreement, other than those Rights Shares provisionally allotted to and undertaken to be subscribed by Mr. Cheung and his associates and the CB Holders.

The underwriting commission was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market rate. The Directors (including independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### **Termination of the Underwriting Agreement**

If at any time on or before the Latest Termination Date:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (B) there shall be:
  - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
  - (ii) any change in local, national or international financial, political, industrial or economic conditions;
  - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
  - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;

- (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;
- (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 7 trading days (as defined in the GEM Listing Rules);
- (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere

which is or are, in the reasonable opinion of the Underwriter:-

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing rescind the Underwriting Agreement and thereupon all obligations of the Underwriter hereunder shall cease and determine and no party shall have any claim against any other party (save for any antecedent breaches hereof) and the Rights Issue shall not proceed.

## **IRREVOCABLE UNDERTAKINGS**

Mr. Cheung, who is interested in 37,712,500 Shares as at the date of this announcement representing approximately 16.46% of the existing issued Shares, has irrevocably undertaken to the Company and the Underwriter that he will accept and will procure his associates to accept all the Rights Shares to be provisionally allotted to him and his associates pursuant to the Rights Issue in respect of the Shares held by him and his associates as at the Record Date.

The CB Holders have irrevocably undertaken to the Company and the Underwriter not to transfer any Convertible Bonds to any third party on or prior to the Record Date and if any CB Holder shall convert any Convertible Bonds into Shares on or prior to the Record Date, such CB Holder shall not transfer any such conversion shares to any third party and shall accept all the Rights Shares to be provisionally allotted to it pursuant to the Rights Issue in respect of the Shares held by it as at the Record Date.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Rights Issue under various scenarios:

### Scenario 1:

Assuming none of the Outstanding Options and Convertible Bonds are exercised on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of Rights Issue and assuming 100% acceptance by Qualifying Shareholders		Immediately after completion of Rights Issue and assuming no acceptance by Qualifying Shareholders other than Mr. Cheung and his associates	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Cheung Wai Yin, Wilson ( <i>note 1</i> )	37,712,500	16.46	52,797,500	16.46	52,797,500	16.46
Lau Chi Yan, Pierre ( <i>note 2</i> )	2,125,000	0.93	2,975,000	0.93	2,125,000	0.66
Manistar Enterprises Limited	33,294,102	14.53	46,611,743	14.53	33,294,102	10.38
Option holders	0	0.00	0	0.00	0	0.00
CB Holders	0	0.00	0	0.00	0	0.00
Underwriter ( <i>note 3</i> )	0	0.00	0	0.00	76,586,490	23.87
other public Shareholders	<u>156,047,123</u>	<u>68.08</u>	<u>218,465,972</u>	<u>68.08</u>	<u>156,047,123</u>	<u>48.63</u>
Total	<u>229,178,725</u>	<u>100.00</u>	<u>320,850,215</u>	<u>100.00</u>	<u>320,850,215</u>	<u>100.00</u>

## Scenario 2

Assuming the Outstanding Options and the Convertible Bonds are exercised in full on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of Rights Issue and assuming 100% acceptance by Qualifying Shareholders		Immediately after completion of Rights Issue and assuming no acceptance by Qualifying Shareholders other than Mr. Cheung and his associates and CB Holders	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
	Cheung Wai Yin, Wilson ( <i>note 1</i> )	37,712,500	16.46	52,797,500	13.12	52,797,500
Lau Chi Yan, Pierre ( <i>note 2</i> )	2,125,000	0.93	2,975,000	0.74	2,125,000	0.53
Manistar Enterprises Limited	33,294,102	14.53	46,611,743	11.58	33,294,102	8.27
Option holders	0	0.00	3,010,000	0.75	2,150,000	0.53
CB Holders	0	0.00	78,708,000	19.55	78,708,000	19.55
Underwriter ( <i>note 3</i> )	0	0.00	0	0.00	77,446,490	19.24
other public Shareholders	156,047,123	68.08	218,465,972	54.26	156,047,123	38.76
<b>Total</b>	<b>229,178,725</b>	<b>100.00</b>	<b>402,568,215</b>	<b>100.00</b>	<b>402,568,215</b>	<b>100.00</b>

### Notes:

- The interests disclosed includes 37,500,000 Shares held by Ivana, which is wholly owned by Mr. Cheung. The remaining 212,500 Shares are held by Mr. Cheung personally.
- Mr. Lau Chi Yan, Pierre is a Director.
- The Underwriter will not and shall procure that the sub-underwriters and placees procured by them, together with parties acting in concert with each of them, will not own 10% or more of the issued share capital of the Company immediately after the Rights Issue. The Underwriter shall and shall cause the sub-underwriters to procure placees independent of the Company and its connected persons to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 11.23 of the GEM Listing Rules are complied with. The Underwriter shall use its reasonable endeavours to ensure that each of the sub-underwriters and their placees (and their respective ultimate beneficial owners) is independent of and not connected with the Company and its connected persons and is not a party acting in concert with each other.

## **Reason for and benefits of the proposed Rights Issue and use of proceeds**

The Group is principally engaged in forestry businesses including upstream operation of logging and downstream operations of timber processing, plantation business and trading of agricultural related products.

The gross proceeds from the Rights Issue will be approximately HK\$36.67 million (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) to approximately HK\$46.01 million (assuming no repurchase of Shares and the maximum number of the Outstanding Options and Convertible Bonds are exercised in full). The estimated net proceeds from the Rights Issue will be approximately HK\$34.87 million (assuming no further issue of new Shares or repurchase of Shares on or before the Record Date) to approximately HK\$43.88 million (assuming no repurchase of Shares and the maximum number of the Outstanding Options and Convertible Bonds are exercised in full). The Company intends to apply the net proceeds from the Rights Issue for general working capital.

The Board considers that it is prudent to finance the Group by long-term financing, preferably in the form of equity. The Board also believes that the Rights Issue will enable the Group to enhance its financial position. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

## **EXPECTED TIMETABLE**

The expected timetable of the proposed Rights Issue is as follows:

*(Hong Kong time)*

Last day of dealings in the Shares on cum-rights basis	Monday, 17 June 2013
Ex-date (the first day of dealings in the Shares on ex-rights basis)	Tuesday, 18 June 2013
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Wednesday, 19 June 2013

*(Hong Kong time)*

Register of members closes (both days inclusive)	From Thursday, 20 June 2013 to Friday, 21 June 2013
Record Date	Friday, 21 June 2013
Rights Issue Documents to be posted	Tuesday, 25 June 2013
First day of dealings in nil-paid Rights Shares	Thursday, 27 June 2013
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Tuesday, 2 July 2013
Last day of dealings in nil-paid Rights Shares	Friday, 5 July 2012
Latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares	4:00 p.m. on Wednesday, 10 July 2013
Latest time for the termination of the Underwriting Agreement	4:00 p.m. on Friday, 12 July 2013
Announcement of allotment results	Tuesday, 16 July 2013
Despatch of certificates for fully-paid Rights Shares and refund cheques	Wednesday, 17 July 2013
Expected first date of dealings in fully-paid Rights Shares	Thursday, 18 July 2013

*All times and dates specified in this announcement refer to Hong Kong local times. Dates stated in this announcement for events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue will be announced as appropriate in accordance with the Listing Rules.*

## **EFFECT OF BAD WEATHER ON THE ACCEPTANCE DATE**

The Acceptance Date will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead, the Acceptance Date will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 12:00 noon. If the Acceptance Date is postponed in accordance with the foregoing, the dates mentioned in the section headed “EXPECTED TIMETABLE” in this announcement may be affected. An announcement will be made by the Company in such event.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of this announcement. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.



## **ADJUSTMENTS IN RELATION TO THE CONVERTIBLE BONDS AND THE OPTIONS**

As at the date of this announcement, there are (i) Convertible Bonds with outstanding principal amount of HK\$224,880,000 and (ii) Outstanding Options to subscribe for 2,150,000 new Shares.

After the Rights Issue become effective, the conversion price of 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 Rights Issue. The Company will make further announcement(s), when and where 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 date of this announcement.

## **GEM LISTING RULES IMPLICATIONS**

As the Rights Issue will increase the issued share capital and the market capitalisation of the Company by not more than 50% within the 12 month period immediately preceding the date of this announcement, pursuant to Rule 10.29 of the GEM Listing Rules, the Rights Issue is not conditional on approval by the Shareholders.

## **GENERAL**

The Company expects to despatch the Rights Issue Documents to the Qualifying Shareholders on the Posting Date. The Company will, to the extent reasonably practicable, despatch the Prospectus to the Excluded Shareholders, if any, for their information only. No PAL or EAF will be despatched to the Excluded Shareholders.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	10 July 2013 or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	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)
“CB Holders”	Holders of the Convertible Bonds
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Merdeka Resources Holdings Limited (Stock Code: 8163), a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Convertible Bonds”	the zero coupon convertible bonds due 2014 issued by the Company with total outstanding principal amount of HK224,880,000 as at the date of this announcement which are convertible into 56,220,000 Shares
“Director(s)”	director(s) of the Company from time to time

“EAF(s)”	the form(s) of application for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Excluded Shareholders”	those Overseas Shareholders whom the Directors, based on opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities of GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Ivana”	Ivana Investments Limited
“Last Trading Day”	11 June 2013, being the date of the Underwriting Agreement
“Latest Termination Date”	the second Business day after the Acceptance Date or such other date as the Underwriter may agree in writing with the Company
“Mr. Cheung”	Mr. Cheung Wai Yin, Wilson, executive Director and substantial Shareholder of the Company
“Option(s)”	the option(s) to subscribe for Shares under the Share Option Scheme
“Outstanding Option(s)”	as at the date of this announcement, the 2,150,000 outstanding options granted under the Share Option Scheme

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue, being in such usual form as may be agreed between the Company and the Underwriter
“Posting Date”	25 June 2013, being the 2nd business day after the Record Date or such other date as the Underwriter may agree in writing with the Company, as the expected date of despatch of the Rights Issue Documents to the Qualifying Shareholders or the Prospectus to the Excluded Shareholders for information only (as the case may be)
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose name(s) appear on the register of members of the Company on the Record Date
“Record Date”	21 June 2013 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	the share registrar of the Company in Hong Kong, being Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong

“Rights Issue”	the proposed issue by way of rights on the basis of 2 Rights Shares for every 5 Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Rights Issue Documents
“Rights Issue Documents”	the Prospectus, PAL and EAF
“Rights Shares”	Shares to be issued and allotted under the Rights Issue on the basis of 2 Rights Shares for every 5 Shares in issue on the Record Date, being 91,671,490 Shares based on the Company’s issued share capital as at the date of this announcement, or if the maximum number of the Outstanding Options and Convertible Bonds are exercised in full on or before the Record Date, an aggregate of 115,019,490 Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 3 May 2012
“Share(s)”	existing ordinary share(s) of HK\$0.40 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
“Subscription Price”	HK\$0.40 per Rights Share
“Underwriter”	Cheong Lee Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities under the SFO

“Underwriting Agreement”	the underwriting agreement dated 11 June 2013 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	Not less than 76,586,490 Rights Shares and not more than 77,446,490 Rights Shares
“%” or “per cent.”	percentage or per centum

By Order of the Board of  
**MERDEKA RESOURCES HOLDINGS LIMITED**  
**Cheung Wai Yin, Wilson**  
*Chairman and Chief Executive Officer*

Hong Kong, 11 June 2013

As at the date of this announcement, the Directors are:

*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

*This announcement, 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 announcement 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 announcement misleading.*

*This announcement 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>.*