

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in Merdeka Resources Holdings Limited (the "Company"), you should at once hand this Prospectus to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the securities of the Company and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Rights Issue Documents, having attached thereto the documents specified in the paragraph headed "Documents registered with the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Rights Issue Documents.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

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)

RIGHTS ISSUE
ON THE BASIS OF TWO RIGHTS SHARES
FOR EVERY FIVE SHARES HELD
ON THE RECORD DATE
AT A SUBSCRIPTION PRICE OF HK\$0.40 PER RIGHTS SHARE

Underwriter of the Rights Issue
Cheong Lee Securities Limited

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 10 July 2013. The procedure for acceptance and transfer of the Rights Shares are set out in the paragraph headed "Procedure for acceptance and payment or transfer" on pages 10 and 11 of this prospectus.

The Shares have been dealt with on an ex-rights basis since Tuesday, 18 June 2013 and the Rights Shares are expected to be dealt with in their nil-paid form from Thursday, 27 June 2013 to Friday, 5 July 2013 (both days inclusive). It is expected that the conditions referred to in the paragraph headed "Conditions of the Rights Issue" in this prospectus are to be fulfilled (or waived, if applicable) on or before 4:00 p.m. on Wednesday, 10 July 2013. If the conditions referred to in that paragraph are not fulfilled (or waived, if applicable) or the Underwriting Agreement has been terminated in accordance with the terms thereof, the Rights Issue will not proceed. Any person contemplating buying or selling Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled (or waived, if applicable), and any dealings in the Rights Shares in their nil-paid form between Thursday, 27 June 2013 to Friday, 5 July 2013 (both days inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional adviser.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Termination Time to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out under the section headed "Termination of the Underwriting Agreement" on page 5 of this prospectus. If the Underwriters terminate the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. In addition, the Rights Issue is conditional on all conditions set out on page 14 of this prospectus being fulfilled (or waived, if applicable). If such conditions have not been fulfilled (or waived, if applicable) in accordance with the Underwriting Agreement on or before the time and dates specified therein, the Rights Issue will not proceed.

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM")
OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "EXCHANGE")**

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the 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

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

(Hong Kong time)

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 2013
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 references to times and dates in this prospectus are references to Hong Kong local times and dates. Dates or deadlines specified herein may be varied or extended by the Company and the Underwriter and are therefore tentative and indicative only. Further announcement(s) will be made by the Company on any changes to the above expected timetable, if and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER

The latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares does not take effect on the Acceptance Date, the dates mentioned above may be affected. An announcement will be made by the Company in such event as soon as practicable.

DEFINITIONS

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

“Acceptance Date”	10 July 2013, being the latest date for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Announcement”	the announcement of the Company dated 11 June 2013 in relation to the Rights Issue
“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
“CB Undertaking”	The undertakings given by the CB Holders to the Company and the Underwriter pursuant to the Underwriting Agreement
“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
“connected person”	has the meaning ascribed to it under the GEM Listing Rules

DEFINITIONS

“Convertible Bonds”	the zero coupon convertible bonds due 2014 issued by the Company with total outstanding principal amount of HK\$224,880,000 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 Practicable Date”	21 June 2013, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information for inclusion herein
“Latest Termination Time”	4:00 p.m. on the second Business day after the Acceptance Date

DEFINITIONS

“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)”	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 date of dispatch of the Rights Issue Documents
“Qualifying Shareholders”	Shareholders, other than Excluded Shareholders
“Record Date”	21 June 2013, the record date to determine entitlements to the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the 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”	This 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

DEFINITIONS

“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, the Underwriter and Mr. Cheung in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	the Rights Shares, other than those provisionally allotted to and undertaken to be subscribed by Mr Cheung and his associates, subject to the terms and conditions of the Underwriting Agreement (being not exceeding 76,586,490 Rights Shares)
“US” or “United States”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)
“%”	per cent.

TERMINATION OF THE UNDERWRITING AGREEMENTS

The Underwriter reserves the right to terminate the Underwriting Agreement prior to the Latest Termination Time. If at any time on or before the Latest Termination Time:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the representations, warranties and undertakings 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 thereunder shall cease and determine and no party shall have any claim against any other party (save for any antecedent breaches hereof). If the Underwriter exercises such right, the Rights Issue shall not proceed.

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 Directors:

Mr. Wong Chi Man

Independent non-executive Directors:

Mr. Lam Kin Kau, Mark
Ms. Yeung Mo Sheung, Ann

Registered office:

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

*Head Office and Principal place of
business in Hong Kong:*

Room 1502
Chinachem Century Tower
178 Gloucester Road
Wanchai
Hong Kong

25 June 2013

*To the Qualifying Shareholders,
and for information only, the Excluded Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE
ON THE BASIS OF TWO RIGHTS SHARES
FOR EVERY FIVE SHARES HELD
ON THE RECORD DATE
AT A SUBSCRIPTION PRICE OF HK\$0.40 PER RIGHTS SHARE**

INTRODUCTION

Reference is made to the Announcement in relation to the Rights Issue at the subscription price of HK\$0.40 per Rights Share on the basis of 2 Rights Shares for every 5 existing Shares held on the Record Date.

The purpose of this prospectus is to provide you with details regarding the Rights Issue, including information on dealing in, transfer and acceptance of the Rights Shares, and certain financial and other information in respect of the Group.

* For identification purposes only

LETTER FROM THE BOARD

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 Latest Practicable Date	:	229,178,725 Shares
Number of Rights Shares	:	91,671,490 Rights Shares
Subscription Price	:	HK\$0.40 per Rights Share
Enlarged issued share capital upon completion of the Rights Issue	:	320,850,215 Shares

As at the Latest Practicable Date :

- (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.

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

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 Latest Practicable Date and approximately 28.57% of the Company's issued share capital as enlarged by the issue of the 91,671,490 Rights Shares (assuming no new Shares are issued except pursuant to the Rights Issue between the Latest Practicable Date and the completion of the Rights Issue). The aggregate nominal value of the 91,671,490 Rights Shares will be HK\$36,668,596.

Qualifying Shareholders

The Company has sent the Rights Issue Documents to Qualifying Shareholders, who were registered as a member of the Company on the Record Date.

Rights of Overseas Shareholders

This prospectus has not been registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. There were five Overseas Shareholders on the Record Date with registered address located in the United States. Having made enquiries regarding the legal restrictions under the laws of the United States

LETTER FROM THE BOARD

and the requirements of the relevant regulatory bodies or stock exchanges, the Directors are of the view that it is necessary and expedient to exclude the Overseas Shareholders in the United States and such Overseas Shareholders will be regarded as Excluded Shareholders pursuant to Rule 17.41(1) of the GEM Listing Rules because of the time and costs that may need to be involved in complying with the relevant legal and regulatory requirements if the Rights Shares are to be offered to the Overseas Shareholders in the United States.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, to be sold 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 and stamp duty, of HK\$100 or more will be paid pro rata (but rounded down to the nearest cent) to the relevant Excluded Shareholders in Hong Kong dollars by ordinary post at their own risk to their registered addresses. The Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold Rights Shares to which the Excluded Shareholders would otherwise have been entitled will be available for applications for the excess Rights Shares.

No action has been taken to permit the offering of the Rights Shares, or the distribution of this prospectus or any of the PAL or EAF, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of this prospectus or any of the PAL or EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or the excess Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. It is the responsibility of any person (including but without limitation to nominee, agent and trustee) receiving a copy of this prospectus or any of the PAL or EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for the excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. The Company will not be responsible for verifying the legal qualification of such Overseas Shareholders and/or residents in such territory or jurisdiction, thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of such territory or jurisdiction by any such Overseas Shareholders and/or residents, the Overseas Shareholders and/or residents shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or fully-paid Rights Shares to any such Overseas Shareholders and/or residents, if at the Company's absolute discretion issuing the nil-paid Rights Shares or fully-paid Rights Shares to them does not comply with the relevant laws of such territory or jurisdiction. If you are in any doubt as to your position, you should consult your professional advisers.

LETTER FROM THE BOARD

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 21.21% 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 8.11% 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. Given the funding needs of the Group and a rights issue being the most appropriate means to raise new funding since it will provide all Shareholders (other than the Excluded Shareholders) the opportunity to participate and maintain their respective pro-rata shareholding interests in the Company, 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 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 at the Subscription Price payable in full on acceptance. 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.

LETTER FROM THE BOARD

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.

Procedure for acceptance and payment or transfer

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholders to subscribe for the number of Rights Shares indicated on the PAL. If the Qualifying Shareholders wish to exercise the right to subscribe for all the Rights Shares provisionally allotted to them as specified in the enclosed PAL, the Qualifying Shareholders must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance of the number of Rights Shares provisionally allotted to the Qualifying Shareholders, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Wednesday, 10 July 2013. All remittances must be made by cheque or banker's cashier order in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Merdeka Resources Holdings Limited – PAL Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been received by the Registrar by 4:00 p.m. on Wednesday, 10 July 2013, whether by the original allottee or any person by whom the rights have been validly transferred, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled, and such Rights Shares will be made available for application under EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment, to transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them or to transfer their rights to more than one person, the entire original PALs must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Tuesday, 2 July 2013 to the Registrar which will cancel the original PALs and issue new PALs in the denominations required. The new PALs will be available for collection at the office of the Registrar during normal business hours after 9:00 a.m. on the second Business Day after the surrender of the original PALs. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of the rights to subscribe for the Rights Shares.

LETTER FROM THE BOARD

The PAL contains the full information regarding the procedure to be followed if the Qualifying Shareholders wish to accept and/or transfer the whole or part of their provisional allotment of the Right Shares. All cheques and banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the PAL together with a cheque or banker's cashier order in payment for the Rights Shares accepted will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If any cheque or banker's cashier order is dishonoured on first presentation, the PAL is liable to be rejected, and in that event the provisional allotment and all rights given pursuant to it will be deemed to have been declined and will be cancelled. No receipt will be issued in respect of any application submitted for the Rights Shares allotted or any part of it.

If the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below are not fulfilled (or waived, if applicable) by the Latest Termination Time, the Rights Issue will not proceed and the application monies, without interest, will be returned to the applicants by means of cheques crossed "**Account Payee Only**" to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company or the transfer form at the risk of such applicants on or before Wednesday, 17 July 2013.

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.

LETTER FROM THE BOARD

Application for the excess Rights Shares may be made by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by not later than 4:00 p.m. on Wednesday, 10 July 2013. All remittances must be made by cheque or banker's cashier order in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "Merdeka Resources Holdings Limited – EAF Account" and crossed "Account Payee Only".

If no excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be returned to such Qualifying Shareholders in full without interest by ordinary post at their own risk to their registered addresses on or before Wednesday, 17 July 2013. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application money is also expected to be returned to them without interest by ordinary post at their own risk to their registered addresses on or before Wednesday, 17 July 2013. All cheques or banker's cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or banker's cashier order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker's cashier order will be honoured on first presentation. If the cheque or banker's cashier order is dishonoured on first presentation, the application for the excess Rights Shares is liable to be rejected. No receipt will be issued in respect of any application monies received.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or banker's cashier orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar.

If the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below are not fulfilled (or waived, if applicable) by the Latest Termination Time, the Rights Issue will not proceed and the monies received in respect of application for the excess Rights Shares will be returned to the applicants without interest by means of cheques crossed "Account Payee Only" to be despatched by ordinary post to their registered addresses and, in the case of joint applicants, to the registered address of the applicant whose name first appears on the register of members of the Company at the risk of such applicants on or before Wednesday, 17 July 2013.

LETTER FROM THE BOARD

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 Wednesday, 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 Wednesday, 17 July 2013 by ordinary post to the applicants at their own risk. One share certificate will be issued for all the fully paid Rights Shares allotted to an applicant.

Application for listing

The Company has applied 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.

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. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

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.

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.

LETTER FROM THE BOARD

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the subscription of, or holding or disposal of, or dealings in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Excluded Shareholders (if any), their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of any person resulting from the subscription, purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

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) or if the Underwriting Agreement shall be rescinded pursuant to terms of Underwriting Agreement as set out under the section headed "Termination of the Underwriting Agreement" below, 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.

LETTER FROM THE BOARD

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	:	76,586,490 Rights Shares, being all the Rights Shares other than those provisionally allotted to and undertaken to be subscribed by Mr Cheung and his associates
Commission	:	3.5% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date
Undertakings	:	The Company shall not from the date of the Underwriting Agreement 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.

To the best of the Directors' knowledge and information, the Underwriter is a third party independent of and not connected with the Company and its connected persons.

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

The Underwriter reserves the right to terminate the Underwriting Agreement prior to the Latest Termination Time. If at any time on or before the Latest Termination Time:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the representations, warranties and undertakings 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

LETTER FROM THE BOARD

- (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). If the Underwriter exercises such right, the Rights Issue shall not proceed.

LETTER FROM THE BOARD

IRREVOCABLE UNDERTAKINGS

Mr. Cheung, who is interested in 37,712,500 Shares as at the Latest Practicable Date 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. All CB Holders are independent of and not connected with the Company or its connected persons except Ivana who is the holder of Convertible Bonds in the principal amount of HK\$189,880,000. None of the CB Holders has converted any Convertible Bonds prior to the Latest Practicable Date.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date, (ii) immediately after completion of the Rights Issue (assuming no new Shares are issued except pursuant to the Rights Issue between the Latest Practicable Date and completion of the Rights Issue).

Shareholders	As at the Latest Practicable Date		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	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Cheung Wai Yin, Wilson (note 1)	37,712,500	16.46	52,797,500	16.46	52,797,500	16.46
Lau Chi Yan, Pierre (note 2)	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
Underwriter (note 3)	-	-	-	-	76,586,490	23.87
Other public Shareholders (note 4)	156,047,123	68.08	218,465,972	68.08	156,047,123	48.63
Total	229,178,725	100.00	320,850,215	100.00	320,850,215	100.00

LETTER FROM THE BOARD

Notes:

1. 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. Pursuant to the financial arrangement between Ivana and CLC Finance Limited (“CLC”), Ivana has pledged 37,500,000 Shares and Convertible Bonds in the principal amount of HK\$150,000,000 to CLC as securities. Both CLC and the Underwriter are wholly owned subsidiaries of CL Group (Holdings) Limited.
2. Mr. Lau Chi Yan, Pierre is a Director.
3. 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. As at the Latest Practicable Date, the Underwriter has entered into sub-underwriting arrangement on 20 June 2013 and 21 June 2013 with six sub-underwriters (“Sub-underwriters”) in respect of the sub-underwriting of approximately 59.3% of the Underwritten Shares. The details of the Sub-underwriters, their respective underwriting commitments and their respective commission rates entitled are: (i) Yuanta Securities (Hong Kong) Company Ltd (26.1%) (1%), whose principal activities include underwriting, (ii) Win Fung Securities Limited (19.6%) (1.75%), whose principal activities include underwriting, (iii) Gold Trend Asia Investment Limited (3.9%) (1.5%), whose principal activity is investment, (vi) Ying Fa International Limited (6.5%) (1.5%), whose principal activity is investment, (v) Wong Ho Wai Louis (1.6%) (1.5%) and (vi) Leung Wai Kwan (1.6%) (1.5%). All the Sub-underwriters are independent third parties not connected with the Company and its connected persons. Save as aforesaid, as at the Latest Practicable Date, there is no other sub-underwriter procured by the Underwriter.
4. The Company is able to maintain the public float requirement under Rule 11.23(7) of the GEM Listing Rules after completion of the Rights Issue.

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. The estimated net proceeds from the Rights Issue will be approximately HK\$34.87 million. The Company intends to apply the net proceeds from the Rights Issue for general working capital, including but not limited to development of the information technologies business and the expansion of the Company’s existing trading business.

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.

LETTER FROM THE BOARD

RISK FACTORS

Risks which are relevant to the Group

The revenue of the Group in 2012 was approximately HK\$7,909,000 which was relatively small in terms of revenue base. There are certain liquidity risks in light of the loss attributable to owners of the Company for 2012 of approximately HK\$613,037,000. Although the Group does not have indebtedness and contingent liabilities other than outstanding principal of Convertible Bonds of HK\$224,880,000, such Convertible Bonds represent certain liquidity risks if they become mature in the year 2014.

The postponement of the forestry project in the Papua and the lower market prices for timber products had also led to the impairment of approximately HK\$560,000,000 and HK\$16,000,000 to the forest concessions and property, plant and equipment respectively. There may be a risk in a potential further impairment on the forest concessions which is the core asset of the Group.

Risks which are relevant to the Group's business

The Group's forestry business is dampened by certain newly imposed regulatory pressure that monitors de-forestation. Forestry itself is limited by natural disasters such as earthquake in the geographical locality of the forest concessions and prolonged adverse weather conditions. Demand for wood and timber products in Indonesia and in other major markets such as China is not as stable as expected because of the worldwide slow economy.

The Group's trading business has a lower profit margin than the forestry business and the growth is limited in terms of variety of products. Customers and suppliers bases are concentrated that impose certain risks if there is a loss in customer or supplier.

Geopolitical risk in respect of the country of Indonesia and the political risk specific to the Province of Papua

The current Government of the Republic of Indonesia has introduced laws and policies aimed at reducing corrupt practices and enhancing Indonesia as a destination for foreign investment. The long-term success of these actions remains unknown. The Province of Papua of Indonesia is vulnerable to political unrest due to the independence movement of the indigenous people. The forestry and plantation businesses of the Group are entirely located in the Province of Papua of Indonesia and its financial and business conditions and prospects may be materially and adversely affected if political instability were to occur.

Currency risk

Indonesia Rupiah is relatively stable but weak and as it was one of the least valued currency units in the world, it is still regarded as a risky currency to hold. Indonesia's Central Bank has announced that the rupiah would be redenominated by removing three zeros starting 2014. If this happens, it may have an adverse effect on the currency and the Group is exposed to certain currency risk.

LETTER FROM THE BOARD

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

Pursuant to the instrument creating the Convertible Bonds, the conversion price of Shares which fall to be issued upon exercise of the conversion rights attached to the Convertible Bonds will be adjusted in the event of any share consolidation or sub-division, capitalization issue or capital distribution. Therefore the Rights Issue will not affect the conversion price of the Convertible Bonds and no adjustment thereof will be made as a result of the Rights Issue.

Pursuant to the Share Option Scheme, in the events of any alteration in the share capital of the Company by way of capitalization of profits or reserves, rights issue, consolidation, subdivision, or reduction of capital, 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 shall be adjusted. Therefore after the Rights Issue becoming effective, the exercise price and number of the Outstanding Options will be affected. The Company will engage the auditors of the Company or a financial adviser in accordance with the terms of the Share Option Scheme and the supplementary guidance on adjustments to the exercise price and number of share options under the Listing Rule requirements issued by the Stock Exchange on 5 September 2005 to certify in writing as to the adjustments (if any) required to be made in respect of the Outstanding Options as a result of the Rights Issue.

The Company will make further announcement about the adjustments in due course.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis since Tuesday, 18 June 2013. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 27 June 2013 to Friday, 5 July 2013 (both days inclusive). If the conditions of the Rights Issue are not fulfilled (or waived, if applicable) on or before 4:00 p.m. on Wednesday, 10 July 2013 (or such later time and/or date as the Company and the Underwriter may determine in writing), or the Underwriting Agreement is terminated by the Underwriter in accordance with terms thereof, the Rights Issue will not proceed and the Rights Issue will lapse.

Any persons dealing in Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled (or waived, if applicable), and any dealings in the Rights Shares in their nil-paid form between Thursday, 27 June 2013 to Friday, 5 July 2013 (both days inclusive), will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholders or other persons contemplating dealing in the Shares and/or the nil-paid Rights Shares are recommended to consult their own professional advisers.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
On behalf of the Board
MERDEKA RESOURCES HOLDINGS LIMITED
Cheung Wai Yin, Wilson
Chairman and Chief Executive Officer

The English text of this prospectus shall prevail over the Chinese text for the purpose of interpretation.

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for the year ended 31 December 2010, the year 31 December 2011, the year ended 31 December 2012 are disclosed on pages 33-89 of the 2010 annual report published on 30 March 2011, pages 35-89 of the 2011 annual report published on 27 March 2012 and pages 38-91 of the 2012 annual report published on 28 March 2013 respectively, which are published on both the GEM website (www.hkgem.com) and the website of the Company (www.merdeka.com.hk). Please refer to the hyperlinks as stated below:

2010 annual report :

<http://www.hkexnews.hk/listedco/listconews/GEM/2011/0330/GLN20110330261.pdf>

2011 annual report :

<http://www.hkexnews.hk/listedco/listconews/GEM/2012/0327/GLN20120327186.pdf>

2012 annual report :

<http://www.hkexnews.hk/listedco/listconews/GEM/2013/0328/GLN20130328079.pdf>

Events since 31 December 2012

Acquisition of Quasicom Systems Limited

On 2 May 2013, the Group entered into a sale and purchase agreement with a vendor to acquire the entire issued share capital of Quasicom Systems Limited at a total consideration of HK\$8,000,000 to be satisfied by the Company allotting and issuing 20,000,000 consideration shares at HK\$0.4 each at completion. Quasicom Systems Limited is principally engaged in the business of distributorship of renowned information technology products with value-added technical support services in Hong Kong, Macau and the Greater China. For more details of the acquisition, please refer to the announcement of the Company dated 2 May 2013.

2. INDEBTEDNESS STATEMENT

As at 31 May 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had an outstanding principal of convertible bonds of HK\$224,880,000. Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding as at 31 May 2013.

Save as aforementioned in this indebtedness statement, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 May 2013, up to and including the Latest Practicable Date.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances and other internal resources available and also the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group was made up.

5. PROSPECT OF THE GROUP

Forestry and plantation business

The slow global economy and adverse local political situation in the Papua province of Indonesia continues to impose great challenges to our forestry and plantation business. We will continue to refine our production plan and scale down the operation in order to preserve our financial resources before resumption of the forestry project. We will also actively look for any suitable business opportunities to further broaden the sources of revenues and cash inflows of the Group.

Information technologies

Leveraging on the experience of the Directors, the Group is going to enter into information technologies industry while exploring any potential business opportunity:-

Ever Hero Group Limited

On 6 September 2012, the Group entered into an agreement to acquire 70% interest of Ever Hero Group Limited at the consideration of HK\$100 million. Although additional time is required to finalize the financial information to be included in the circular to the Shareholders and it is subject to the approval of the Shareholders, the management is confident that the successful completion of this acquisition will have a positive impact on the Group's financial performance in the near future.

The principal activity of Ever Hero Group Limited and its subsidiary, Netgenii Technology Limited ("Netgenii"), is to provide information technology solution, online and offline game and content development, and enterprise system maintenance services. Netgenii, previously known as "Xcreate Company Limited" is one of the most creative multi-media producers and game developers in the past 15 years. By working as a business agent of electronic academics and producers of global educational products, Netgenii focuses on the introduction, development, production and distribution of educational and other child related software products. Its expertise includes online education, school education, home education, animation and network educational games.

It is expected that the acquisition of Ever Hero Group Limited will contribute profit to the Group for the coming financial year after completion. The Directors consider that such acquisition represents a good entry point for the Company to enter into information technologies industry as Ever Hero Group Limited has (i) a proven track record of 15 years; (ii) established its reputation on software development, including but not limited to online education, school education, home education, animation and network educational games; (iii) generated net profit after tax for the year ended 31 March 2011; and (iv) achieved substantial growth in turnover and net profit after tax for the year ended 31 March 2012.

Quasicom Systems Limited

On 2 May 2013, the Group entered into an agreement to acquire 100% interest of Quasicom Systems Limited (“Quasicom”) at the consideration of HK\$8 million.

Quasicom began as a group of experts in information technology infrastructures, specializes in “virtualization” solutions providing direct consulting services to enterprise customers. Lately, it evolves and becomes value-added distributor for various renowned backup and storage brands in Hong Kong, Macau and the Greater China with better products than those distributors on the market in Hong Kong, and at the same time it provides technical out-sourcing service to other systems integrators. Its scope of products covers: (i) cloud and managed services, (ii) identity and access management, (iii) desktop, server and device management, (iv) security and networking, (v) data protection and recovery and (vi) information technology process and policy.

The Directors consider that such acquisition is beneficial to the Group as Quasicom has (i) proven track record; (ii) established its reputation in value-added distributorship of branded information technology products; and (iii) a team of high caliber technicians with strong technical expertise. Leveraging on the history and track record of Quasicom as well as its technical team, the Company may obtain various distributorship in renowned and branded information technology products.

Trading Business

Revenue from our trading business increased by 94.2% from approximately HK\$4,072,000 in 2011 to approximately HK\$7,909,000 in 2012.

The Group strives to grow the business of trading which provided a stable source of revenue. Apart from the traditional trading in agricultural-related commodities and the newly added trading in dairy products which commenced by the Group in April 2013, the Group intends to trade information technologies related products, including notebooks and intelligence mobile phones.

6. FOREIGN EXCHANGE

The Group will from time to time maintain sufficient Indonesian Rupiah which is a freely convertible currency to meet its cost of forestry and plantation operations in Indonesia.

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus from the independent reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong.



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

The Board of Directors
Merdeka Resources Holdings Limited
Room 1502,
Chinachem Century Tower,
178 Gloucester Road,
Wanchai,
Hong Kong

Dear Sirs,

We report on the unaudited pro forma financial information (the “Unaudited Pro Forma Net Tangible Assets (Liabilities)”) of Merdeka Resources Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) which has been prepared by the directors of the Company for illustrative purpose only, to provide information about how the proposed rights issue of 91,671,490 rights shares at a subscription price of HK\$0.40 each on the basis of two rights shares for every five shares held on the record date as defined in an announcement dated 11 June 2013, might have affected the financial information presented, for the inclusion in Appendix II of the prospectus dated 25 June 2013 (the Prospectus”). The basis of preparation of the unaudited pro forma information is set out in Appendix II to the Prospectus.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagement 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circular” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2012 or any future date.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules

Your faithfully,
Elite Partners CPA Limited
Certified Public Accountants
Hong Kong

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE
COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets attributable to owners of the Company has been prepared in accordance with paragraph 31(1) of Chapter 7 of the GEM Listing Rules set out below to illustrate the effect of the Right Issue on the audited consolidated net tangible assets of the Group as if it had taken place on 31 December 2012.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Right Issue been completed as at 31 December 2012 or at any future date.

The following unaudited pro forma statement of the adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2012, extracted from the published annual report of the Group for the year ended 31 December 2012, with adjustments described below:

	Unaudited consolidated net tangible (liabilities) attributable to owners of the Company as at 31 December 2012 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible (liabilities) attributable to owners of the Company as at 31 December 2012 HK\$'000	Unaudited pro forma adjusted consolidated net tangible (liabilities) attributable to owners of the Company per Share before the completion of the Rights Issue HK\$ (Note 4)	Unaudited pro forma adjusted consolidated net tangible (liabilities) attributable to owners of the Company per Share immediately after the completion of the Rights Issue HK\$ (Note 5)
Based on 91,671,490 Rights Shares at subscription price of HK\$0.4 per Rights Share	(149,673)	34,869	(114,804)	(0.698)	(0.375)

Notes:

- 1) The unaudited consolidated net tangible liabilities of the Group as at 31 December 2012 has been extracted from the published annual report of the Company for the year ended 31 December 2012 after deducting forest concessions of approximately HK\$269,811,000.
- 2) The estimated net proceeds from the Rights Issue of approximately HK\$34,869,000 are based on 91,671,490 Rights Shares to be issued at the Subscription Price of HK\$0.40 per Rights Shares and after deducting estimated expenses of approximately HK\$1,800,000 attributable to the Rights Issue.
- 3) Subsequent to the end of the reporting period in March 2013, the Company consolidated its shares on the basis that every forty shares of HK\$0.01 be consolidated into one consolidated share of HK\$0.4 (the "Share Consolidation"). If taking account the effect of the Share Consolidation in March 2013 and if the Share Consolidation has been completed on 31 December 2012, the consolidation share as at 31 December 2012 will be 214,466,225 consolidated shares.
- 4) The unaudited pro forma adjusted consolidated net tangible liabilities of the Group per share attributable to the owners of the Company before the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to the owners of the Company as at 31 December 2012 of approximately HK\$149,673,000 in note 1 above, divided by 214,466,225 consolidated shares of the Company in issue (after taking into the effect of the Share Consolidation) as at 31 December 2012.
- 5) The calculation of the unaudited pro forma consolidated net tangible liabilities per shares is based on 306,137,715 shares which comprise 214,466,225 consolidated shares in issue as at 31 December 2012 assuming the Share Consolidation has been effective accordingly and 91,671,490 Rights Shares assuming no further issue of new shares or repurchase of Shares, after the completion of the Rights Issue.

1. RESPONSIBILITY STATEMENT

This prospectus, 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 prospectus 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 prospectus misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>500,000,000</u>	ordinary shares of HK\$0.40 each	<u>200,000,000.00</u>

<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
<u>229,178,725</u>	ordinary shares of HK\$0.40 each	<u>91,671,490.00</u>

Immediately after completion of the Rights Issue (assuming no further issue of new Shares or repurchase of Shares from the Latest Practicable Date to completion of the Rights Issue) will be as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>500,000,000</u>	ordinary shares of HK\$0.40 each	<u>200,000,000.00</u>

<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
<u>229,178,725</u>	Shares as at Latest Practicable Date	<u>91,671,490.00</u>
<u>91,671,490</u>	Rights Shares to be issued	<u>36,668,596.00</u>
<u>320,850,215</u>	Total	<u>128,340,086.00</u>

All of the Rights Shares when allotted, issued and fully paid, will rank pari passu in all respect with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Rights Shares to be issued will be listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no part of the capital of any member of the Group is under option, or has been agreed conditionally or unconditionally to be put under option save pursuant to the Outstanding Options and Convertible Bonds.

3. DIRECTORS

Executive Directors

Mr. Cheung Wai Yin, Wilson, aged 42, is currently an executive director, the chairman, chief executive officer, compliance officer, member of the Nomination Committee, member of the Remuneration Committee, authorised representative and agent for service of process in Hong Kong of the Company and as a director of certain relevant subsidiaries of the Company. He is a controlling shareholder of Ivana Investments Limited and also a substantial shareholder of the Company. He is also the Chairman of Dejin Resources Group Company Limited, a company listed in Hong Kong. Mr. Cheung has over 17 years of experience in the field of audit, business development, corporate finance and financial management. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute. He holds a Master of Science degree in Financial Engineering from City University of Hong Kong and Bachelor degrees in Arts and Administrative Studies from York University, Canada.

Mr. Lau Chi Yan, Pierre, aged 37, is currently an executive director, member of Nomination Committee, member of the Remuneration Committee and as a director of certain relevant subsidiaries of the Company. He is also the executive director of Dejin Resources Group Company Limited, a company listed in Hong Kong. Mr. Lau has over 13 years of experience in the field of information system, operational system and general management. Mr. Lau holds an Executive Master Degree of Business Administration in General Management from University of Hull, the United Kingdom and a Bachelor of Science degree in Computer Science from University of Calgary, Canada. Besides, Mr. Lau is a member of Guangdong Huizhou Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議廣東省惠州市委員).

Mr. Ma Hang Kon, Louis, aged 50, joined the Group in 2008, is currently an executive director and a director of certain relevant subsidiaries of the Company. He is primarily responsible for taking a managing and overseeing role in the forestry and tailings businesses of the Group. Mr. Ma has over 28 years of working experience, mainly in the petrochemical and electronics industries in the United States and in the Asia Pacific region. He is experienced in starting up operations including building an infrastructure of manufacturing facilities in the Asia Pacific, in leading mergers and acquisitions, and in rapidly growing business in new geographic locations. He has acquired management experience in the forestry business of the Group in Indonesia during the period of his employment with the Group. Mr. Ma is a member of each of The Montana Board of Public Accountants, the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and The Institute of Chartered Secretaries and Administrators. He graduated from the Kellogg School of Business, Northwestern University in the United States and the Hong Kong Polytechnic (the predecessor of The Hong Kong Polytechnic University).

Non-Executive Director

Mr. Wong Chi Man aged 31, has served as a non-executive director of Group since August 2012. Mr. Wong is currently the Associate Director of Cheong Lee Securities Limited. Mr. Wong has over 5 years of experience in the field of investment, finance and securities advisory. He holds a Master of Applied Finance degree from Monash University and a Bachelor degree in Commerce from Deakin University, Australia.

Independent Non-Executive Directors

Mr. Lam Kin Kau, Mark, aged 58, has served as an independent non-executive director of the Company since April 2006 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. He is a member of the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales and The Institute of Chartered Secretaries and Administrators. He has been a practising accountant for over 26 years and is a director of various private companies. He is also an independent non-executive director of Neo Telemedia Limited (formerly known as BIG Media Group Limited), a company listed on the GEM. Mr. Lam was an independent non-executive director of Haier Electronics Group Co., Ltd., a company listed on the Main Board of the Stock Exchange until his resignation on 21 June 2007.

Ms. Yeung Mo Sheung, Ann, aged 47, has served as an independent non-executive director of the Company since October 2012 and is a member of the Nomination Committee, the Remuneration Committee and the Audit Committee. She holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998 and is presently a solicitor of Messrs. Wong & Wong Lawyers, a legal firm in Hong Kong. Ms. Yeung is currently an independent non-executive director and a member of the audit committee of Hao Wen Holdings Limited, a company whose issued shares are listed on the GEM. She is also currently an independent non-executive director, a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of Success Universe Group Limited (formerly known as Macau Success Limited), issued shares of which are listed on the Main Board of the Stock Exchange.

4. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee comprises two members, Mr. Lam Kin Kau, Mark and Ms. Yeung Mo Sheung, Ann, being all the independent non-executive directors of the Company. The primary duties of the Audit Committee is to make recommendation to the Board on the appointment, reappointment and removal of the external auditor, to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, to develop and implement policy on the engagement of an external auditor, to monitor integrity of financial statements of the Company and to review the Company's financial controls, internal control and risk management systems. Biographical details of the members of the audit committee are set out under the section headed "Directors" in this appendix.

5. CORPORATE INFORMATION, DIRECTORS AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Directors

Executive Directors

Name	Address
Cheung Wai Yin, Wilson	25A, Gardenview Height 19 Tai Hang Drive Hong Kong
Lau Chi Yan, Pierre	8A, Block 1 Tseung Kwan O East Point City Kowloon, Hong Kong
Ma Hang Kon, Louis	Flat B, 1/F. Valiant Court 299 Prince Edward Road West Kowloon, Hong Kong

Non-executive Director

Name	Address
Wong Chi Man	Flat K, 2/F., Lever Building 33 Larch Street, Tai Kok Tsui Kowloon, Hong Kong

Independent Non-executive Directors

Name	Address
Lam Kin Kau, Mark	Flat G, 41/F., Tower 2, The Merton Kennedy Town New Praya Hong Kong
Yeung Mo Sheung, Ann	Flat E, 2/F., Tower 4 Greenwood Terrace, Chai Wan Hong Kong

Authorised representatives

Name	Address
Cheung Wai Yin, Wilson	25A, Gardenview Height 19 Tai Hang Drive Hong Kong
Lai Yau Hong, Thomson	Flat C, 3/F., Block 2, Palm Cove 168 Castle Peak Road, Tuen Mun New Territories, Hong Kong

Corporate Information and Other Parties Involved in the Rights Issue

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Room 1502, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong
Company secretary	Mr. Lai Yau Hong, Thomson Mr. Lai is an associate member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
Compliance officer	Mr. Cheung Wai Yin, Wilson Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and Hong Kong Securities and Investment Institute.
Authorised representatives	Mr. Cheung Wai Yin, Wilson 25A Gardenview Height, 19 Tai Hang Drive, Hong Kong Mr. Lai Yau Hong, Thomson Flat C, 3/F, Block 2, Palm Cove, 168 Castle Peak Road, Tuen Mun, New Territories, Hong Kong
Principal share registrar and transfer office in Cayman Islands	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road PO Box 1586 Grand Cayman KY1-1110 Cayman Islands

Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Principal bankers	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong Nanyang Commercial Bank Limited 151 Des Voeux Road, Central Hong Kong
Reporting accountants	Elite Partners CPA Limited Suites 921-921A 9/F, Star House 3 Salisbury Road Tsim Sha Tsui, Kowloon Hong Kong
Legal advisers to the Company in relation to the Rights Issue	<i>As to Hong Kong law</i> Tang Tso & Lau Room 209, 2nd Floor China Insurance Group Building 141 Des Voeux Road, Central Hong Kong <i>As to Cayman Islands law</i> Conyers Dill & Pearman 2901, One Exchange Square 8 Connaught Place Central, Hong Kong
Underwriter	Cheong Lee Securities Limited Room 1106, 11/F Mass Mutual Tower 38 Gloucester Road Wanchai, Hong Kong

6. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the Shares

Name	Capacity/nature of interest	Number of shares	Approximate % of total issued share capital
Cheung Wai Yin, Wilson	(Note)	37,712,500	16.46%
Lau Chi Yan, Pierre	Personal	2,125,000	0.93%

Note: 212,500 Shares are personal interest and 37,500,000 Shares are interest of a controlled corporation, Ivana Investments Limited, which is wholly owned by Mr Cheung.

Long positions in the underlying shares

Name	Capacity/nature of interest	Number of underlying shares	Approximate % of total issued share capital
Cheung Wai Yin, Wilson	Corporate (Note)	47,470,000	20.71%
Ma Hang Kon Louis	Personal	1,500,000	0.65%
Wong Chi Man	Personal	75,000	0.03%
Lam Kin Kau, Mark	Personal	87,500	0.04%
Yeung Mo Sheung, Ann	Personal	87,500	0.04%

Note: The interest is held by a controlled corporation, Ivana Investments Limited, which is wholly owned by Mr. Cheung.

Save as aforesaid, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b)

pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

Interest of substantial shareholders

As far as was known to any Director or chief executive of the Company, as at the Latest Practicable Date, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly deemed to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

Long positions

Name	Capacity/nature of interest	Number of shares	Number of underlying shares	Approximate % of total issued share capital
Ivana Investments Limited <i>(note)</i>	Beneficial owner	37,500,000	47,470,000	37.08%
Manistar Enterprises Limited	Beneficial owner	33,294,102	–	14.53%
CCT Capital International Holdings Limited	Controlled corporation	33,294,102	–	14.53%
CCT Telecom Holdings Limited	Controlled corporation	33,294,102	–	14.53%
Mak Shiu Tong	Controlled corporation	33,294,102	–	14.53%
CLC Finance Limited	Security interest	37,500,000	37,500,000	32.73%
Cheong Lee Securities Limited	Controlled corporation	76,586,490	–	33.42%
CL Group (Holdings) Limited	Controlled corporation	114,086,490	37,500,000	66.14%
Au Suet Ming Clarea	Controlled corporation	114,086,490	37,500,000	66.14%

Note: Ivana Investments Limited is wholly owned by Mr. Cheung.

Save as aforesaid, as at the Latest Practicable Date, the Directors were not aware of any other person who had an interest or short positions in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 5% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

7. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

8. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service agreements with any member of the Group, excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

9. 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 have or may have any other conflicts of interest with the Group.

10. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

- (a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 31 December 2012 (being the date to which the latest published audited accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which is subsisting as at the date of this prospectus and is significant in relation to the business of the Group.

11. MATERIAL CONTRACTS

The following contracts (being contracts not entered into in the ordinary course of business of the Group) have been entered into by the members of the Group after the date of two years immediately preceding the date of this prospectus, and up to the Latest Practicable Date, and are or may be material:

- (1) the sale and purchase contract dated 19 July 2012 entered into between the Pt Goldenpapua Materials and Merdeka Resources International Limited relating to the acquisition of products at HK\$6 million;

- (2) the conditional sale and purchase agreement dated 6 September 2012 (“Acquisition Agreement”) made between Merry Fortune Holdings Limited and Hero Win Development Limited in relation to the acquisition of 70% issued share capital in Ever Hero Group Limited at HK\$100 million;
- (3) the supplemental agreement dated 31 December 2012 to extend the long stop date in the Acquisition Agreement;
- (4) second supplemental agreement dated 28 March 2013 to extend the long stop date in the Acquisition Agreement;
- (5) the conditional sale and purchase agreement dated 2 May 2013 made between End User Technology Limited and Au Kai To, Karel in relation to the acquisition of 100% issued share capital in Quasicom Systems Limited at HK\$8 million;
- (6) the Underwriting Agreement.

12. EXPERT AND CONSENT

The followings are the names and the qualifications of the professional advisers who have given opinions or advice which are contained or referred to in this document:

Name	Qualification
Elite Partners CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, Elite Partners CPA Limited had no beneficial interest in the share capital of any member of the Group nor any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group or have any interest, either directly or indirectly, in any assets which have been, since 31 December 2012, being the date to which the latest published audited consolidated accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

Elite Partners CPA Limited has given and has not withdrawn its written letters of consent to the issue of this prospectus with the inclusion herein of references to its name in the form and context in which they appear.

13. LEGAL EFFECT

This prospectus, the PAL and the EAF, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

14. BINDING EFFECT

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

15. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, printing, registration, legal and accounting fees, are estimated to be approximately HK\$1.8 million on the basis of 91,671,490 Rights Shares to be issued and will be payable by the Company.

16. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of this prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraph headed "Qualification of the expert and consent" in this appendix, has been delivered to the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday) at the principal place of business of the Company in Hong Kong at Room 1502, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong from 25 June 2013, the date of this prospectus up to and including 10 July 2013:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the year ended 31 December 2011 and 31 December 2012 of the Company;
- (c) the accountants' report on the unaudited pro forma financial information of the Group set out in Appendix II to this prospectus;
- (d) the letters of consent referred to under the paragraph headed "Expert and Consents" in this Appendix;
- (e) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix;
- (f) the Rights Issue Documents.