

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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

This circular appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.

MERDEKA

MERDEKA RESOURCES HOLDINGS LIMITED

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

PROPOSED PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE NEW SHARES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent



Independent Financial Adviser



A letter from the board of directors of the Company is set out on pages 4 to 16 of this circular.

A notice convening the EGM to be held on Wednesday, 29 January 2014 at 11:00 a.m. at Jasmine Room, 3/F, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong is set out on pages 27 to 30 of this circular.

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

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

CHARACTERISTICS OF GEM

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

CONTENT

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	17
Letter from the Independent Financial Advisor	18
Notice of EGM	27

DEFINITIONS

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

“2013 AGM”	the annual general meeting of the Company held on 28 June 2013 at which, among other things, the General Mandate was granted to the Directors
“Announcement”	the announcement of the Company dated 6 December 2013 in respect of, among other things, the proposed SM Placing
“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Merdeka Resources Holdings Limited (Stock Code: 8163), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, the SM Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate and the refreshment of the Existing General Mandate
“Existing General Mandate”	the general mandate granted by the Shareholders at 2013 AGM to allot, issue or otherwise deal with up to a maximum of 45,835,745 additional Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Yip Kat Kong, Kenneth established to advise the Independent shareholders in respect of the refreshment of the Existing General Mandate
“Independent Financial Advisor”	Goldin Financial Limited, a registered institution under the SFO permitted to carry on type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee for the purpose of advising and recommending the Independent Board Committee and the Independent Shareholders on the refreshment of the Existing General Mandate
“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors), chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates
“Latest Practicable Date”	9 January 2014, being the latest practicable date for the purpose of ascertaining certain information included in this circular
“Listing Committee”	has the meaning ascribed to this term under the GEM Listing Rules
“New General Mandate”	the mandate proposed to be sought at the EGM to authorize the Directors to allot, issue or otherwise deal with the Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM
“Placee(s)”	any individuals, corporate, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the SM Placing

DEFINITIONS

“Placing Agent”	CNI Securities Group Limited, a licensed corporation to carry out business in type 1 regulated activity (dealing in securities) and type 2 regulated activity (dealing in futures contracts) under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Price”	HK\$0.156 per Placing Share
“PRC”	People’s Republic of China
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SM Placing”	the proposed offer by way of private placing of the SM Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best endeavour basis, on the terms and subject to the conditions set out in the SM Placing Agreement
“SM Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 6 December 2013 in relation to the SM Placing under the Specific Mandate
“SM Placing Shares”	a maximum of 150,000,000 new Shares proposed to be placed pursuant to the SM Placing Agreement and each a “SM Placing Share”
“Specific Mandate”	the special mandate to be granted by the Shareholders to the Board at the EGM for the allotment and issue of up to a maximum number of 150,000,000 SM Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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 (Managing Director)

Non-executive Director:

Mr. Wong Chi Man

Independent non-executive Directors:

Ms. Yeung Mo Sheung, Ann
Mr. Ng Kay Kwok
Mr. Yip Kat Kong, Kenneth

Registered Office:

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

*Head office and Principal Place
of business in Hong Kong:*

Room 1502
Chinachem Century Tower
178 Gloucester Road
Wanchai, Hong Kong

13 January 2014

To the Shareholders,

Dear Sir or Madam,

**PROPOSED PLACING OF NEW SHARES UNDER SPECIFIC MANDATE
AND
PROPOSED REFRESHMENT OF GENERAL MANDATE
TO ISSUE NEW SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement relating to in respect of, among other things, the proposed SM Placing.

It was disclosed in the Announcement that, the Company entered into the SM Placing Agreement with the Placing Agent on 6 December 2013 (after trading hours) pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 150,000,000 SM Placing Shares, to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties at a price of HK\$0.156 per SM Placing Share.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the (i) SM Placing, (ii) the proposed refreshment of the Existing General Mandate and (iii) to give you notice of the EGM.

THE SM PLACING

On 6 December 2013 (after trading hours), the SM Placing Agreement was entered into between the Company (as issuer) and the SM Placing Agent (as placing agent). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees:

The SM Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. The Placing Agent undertook that none of the Placees would, immediately upon completion of the SM Placing, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company. If any of the Placees becomes a new substantial shareholder of the Company after the completion of the SM Placing, further announcement will be made by the Company.

Placing Price:

The Placing Price of HK\$0.156 per SM Placing Share represents:

- (i) a discount of approximately 19.50% to the closing price of HK\$0.195 per Share as quoted on the Stock Exchange on the date of the SM Placing Agreement;
- (ii) a discount of approximately 19.17% over the average closing price of HK\$0.193 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the SM Placing Agreement; and
- (iii) a discount of approximately 37.6% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to, among other matters, the prevailing market prices of the Shares and the capital requirement for the future development of the Group.

The Directors consider that the terms of the SM Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Assuming all the SM Placing Shares have been placed, the maximum gross proceeds from the SM Placing will be approximately HK\$23.40 million and the maximum net proceeds will be approximately HK\$22.55 million (after deduction of commission and other expenses of the SM Placing). On such basis, the net issue price will be approximately HK\$0.150 per SM Placing Share.

LETTER FROM THE BOARD

SM Placing Shares:

The maximum number of 150,000,000 SM Placing Shares represent (i) approximately 38.86% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 28.00% of the existing issued share capital of the Company as enlarged by the SM Placing (assuming the SM Placing is completed in full). The aggregate nominal value of the SM Placing Shares under the SM Placing (assuming the SM Placing is completed in full) will be HK\$1,500,000.

Placing Commission:

The Placing Agent will receive a placing commission of 2.5% of the aggregate Placing Price of the SM Placing Shares actually placed by or on behalf of the Placing Agent on behalf of the Company in pursuance of its obligations under the SM Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market condition.

The Directors are of the view that the placing commission of 2.5% are on normal commercial terms and is fair and reasonable so far as the Shareholders are concerned.

Ranking:

The SM Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the SM Placing Shares.

Conditions of the SM Placing:

Completion of the SM Placing is conditional upon:

- (i) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, all of the SM Placing Shares to be placed pursuant to the SM Placing Agreement; and
- (ii) the Specific Mandate being obtained at the EGM.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure satisfaction of the above conditions prior to 4:00 p.m. on the date falling on 1 month after the EGM or such other date as the Company and the Placing Agent may agree in writing ("**SM Long Stop Date**"). If the above conditions shall not be satisfied prior to 4.00 p.m. on the SM Long Stop Date, all obligations of the Placing Agent and of the Company under the SM Placing Agreement shall cease and determine and none of the Placing Agent or the Company shall have any claim against the other in relation to the SM Placing Agreement (save in respect of any antecedent breaches of any obligation thereunder).

LETTER FROM THE BOARD

Completion:

Completion of the SM Placing shall take place on the third Business Day after the fulfilment of all the above conditions or on such other date as the Company and the Placing Agent may agree in writing. The Company will try its best endeavour to complete the SM Placing within 14 days after the EGM.

Mandate to issue the SM Placing Shares:

The SM Placing Shares proposed to be issued under the SM Placing Agreement will be issued pursuant to the Specific Mandate to be obtained at the EGM.

Force majeure:

The Placing Agent reserves its right to terminate the SM Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the SM Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the SM Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the SM Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the SM Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the SM Placing or makes it inadvisable or inexpedient for the SM Placing to proceed; or
- (4) any statement contained in all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2012 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the SM Placing.

LETTER FROM THE BOARD

REASONS FOR THE SM PLACING AND USE OF PROCEEDS

The Group is engaged in forestry business, plantation business and trading business, including the trading of agricultural-related products and various brands of milk powder products to customers based in Hong Kong and distributorship of information technology products with technical support services.

The Directors are of the view that the SM Placing can improve the gearing ratio and strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The SM Placing also represent good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the SM Placing is in the interest of the Company and the Shareholders as a whole.

As disclosed above, the maximum net proceeds from the SM Placing are estimated to be approximately HK\$22.55 million. It is expected that the entire net proceeds will be applied to the expansions of the trading business and the information technology business, including but not limited to the exploration of the opportunities in investing in and/or developing online games, mobile games and financial services related software, as well as for strengthening the general working capital base of the Company. As disclosed in the Company's quarterly results for the nine months ended 30 September 2013, the Group, besides actively expands into the trading of dispensary-related products to increase the variety of products for trading business, strives to complete the proposed acquisition of Ever Hero Group and leveraging on its reputation and experiences in online games as a new business opportunity. As such, the applications of such net proceeds are in line with the Group's business development plans.

The Company is looking forward to the exploding mobile game market, value of which is growing tremendously with relatively low barriers to entry. Leveraging on the reputation and experience of Ever Hero Group in online and mobile game industry and with the Company's capabilities in relation to the provision of virtualization solutions such as cloud computing and server management by its indirect wholly owned subsidiary, Quasicom Systems Limited, the Company feels that mobile game industry would be a possible business opportunity for the Company to explore.

The Company intends to apply the net proceeds from placing in the following manners:

- approximately 10% for the expansions of the trading business;
- approximately 30% for the expansions of the information technology business, including but not limited to the exploration of the opportunities in investing in and/or developing online games, mobile games and financial services related software when opportunities arise with a view to broaden the income source and diversify the business risk of the Group;
- approximately 60% for general working capital of the Group.

LETTER FROM THE BOARD

In view of the factors aforementioned, the Company will not apply such proceeds from the SM Placing to finance the consideration of the very substantial acquisition of the Company as stipulated therein the announcement of the Company dated 25 September 2012.

The Board is of the view that the SM Placing will strengthen the financial position of the Group. Considering the uncertainties in the global financial market, the Directors are of the view that it is reasonable for the Company to enhance the capital base by the SM Placing with a view to create more buffers for the Company to mitigate the business and financial risk and to enhance the financial flexibility of the Group. In addition, as the Company is actively exploring business opportunities and/or possible acquisitions, including but not limited to, online games, mobile games and financial services related software business to diversify risk and broaden the sources of income of the Group, sufficient cash reserve is crucial for the development of the Company. The cash reserve is able to foster the on-going business operations in trading and information technology, continue to centralize the corporate objective of developing current businesses in order to strengthen competitiveness, integrate its capital resources and contribute a maximum wealth to Shareholders. The Company believes that it would be beneficial to leverage on the background and expertise of the management of the Company in the area of fund raising, investment and financial management to source investment opportunities with great potential for direct investment of the Group. Thus, the Board considers raising extra fund for project investments would be able to enhance the return and maximize the wealth of the shareholders of the Company. As at the Latest Practicable Date, no such business opportunity or acquisition target has yet been identified.

The Directors confirm that apart from the SM Placing, the Group has also considered other fund raising alternatives including rights issue, open offer or debt financing. However, the Directors hold the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition, such alternative may be subject to lengthy due diligence and negotiations with banks. The Directors consider debt financing to be relatively costly and time consuming as compared to the placing of new Shares to obtain additional funding. The Directors also hold the view that pro-rata equity financing such as rights issue or open offer is more time consuming and often attracts a steeper discount to its then market price than the placing of new Shares. Having assessed the costs and benefits of such alternatives, the Directors hold the view that the SM Placing is the preferred means of fund raising.

The Directors (including the independent non-executive Directors) consider the terms of the SM Placing Agreement and the Placing Price to be fair and reasonable so far as the Shareholders are concerned and the SM Placing is in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

APPLICATION FOR LISTING

Applications will be made to the Stock Exchange for the Listing of, and permission to deal in, the SM Placing Shares respectively.

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

At the annual general meeting of the Company held on 28 June 2013, the Shareholders passed among others, ordinary resolution to grant the Directors the Existing General Mandate to issue, allot and otherwise deal with a maximum of 45,835,745 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolution. The Existing General Mandate has been utilized as to 45,000,000 Shares, representing 98.18% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate which had been allotted and issued under the GM Placing as disclosed in the Announcement. As the refreshment of the Existing General Mandate is proposed to the Shareholders before the Company's next annual general meeting, pursuant to the GEM Listing Rules, the refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of poll at the EGM.

Reasons for refreshment of the Existing General Mandate

As there are uncertainties in the world financial market, the Directors are of the view that the instability of the global financial market will persist in the foreseeable future which might have a negative impact to the business of the Group, therefore the possible fund raising activities upon the refreshment of the general mandate is in the benefit of the Company as it can enhance the financial flexibility of the Company during the global financial downturn. Therefore, the Directors are of the view that the refreshment of Existing General Mandate is an appropriate decision as fund raising opportunities may lapse in a short window of time. By refreshment of Existing General Mandate will provide the Group additional options and can enhance the financial flexibility to capture window of opportunity to carry out the fund raising activity promptly for the future development of the Group.

Given that equity financing under general mandates (i) does not incur interest obligations on the Group as compared with bank financing; (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any capital raising or prospective investment opportunities in a timely manner, the Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the EGM and considers the refreshment of General Mandate in the best interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, save as disclosed above in respect of the SM Placing, the Company has not yet identified and/or concluded any terms for any suitable fund raising opportunities with any financial institution(s).

LETTER FROM THE BOARD

The Directors consider that it is in the interests of the Company and the Shareholders as a whole to grant the New General Mandate in order to maintaining the financial flexibility necessary for the Company to raise funds through the issue of new securities for its general working capital and/or business development as and when the Directors consider appropriate in the future. Therefore, the Board proposes to seek the approval of the Shareholders to refresh the Existing General Mandate at the EGM. As at the Latest Practicable Date, the Company does not have any imminent plan nor any specific plan or intention which may utilize any part of the New General Mandate, if granted. As at the Latest Practicable Date, a total of 385,850,215 Shares were in issue. Subject to the passing of the proposed resolution for the grant of the New General Mandate and on the basis that no Share will be issued or repurchased by the Company prior to the EGM, the Board will be authorised under the New General Mandate to issue a maximum of 77,170,043 new Shares.

The New General Mandate will, if granted, remain effective until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which next annual general meeting of the Company is required to be held by any applicable law of the Cayman Islands or the memorandum and Articles of Association of the Company; and
- (iii) its revocation or variation by ordinary resolution of the Shareholders in general meeting.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effects on the shareholding structure of the Company:

- (i) upon completion of the SM Placing (assuming all the SM Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the SM Placing Shares under the SM Placing); and

LETTER FROM THE BOARD

- (ii) assuming upon full utilization of the New General Mandate and completion of the SM Placing are set out as below:

Shareholders	As at the Latest Practicable Date		(i) Upon completion of the SM Placing <i>(for illustrative purpose only)</i>		(ii) assuming upon full utilization of the New General Mandate and completion of the SM Placing <i>(for illustrative purpose only)</i>	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
	Cheung Wai Yin, Wilson <i>(Note 1)</i>	52,797,500	13.68	52,797,500	9.85	52,797,500
Lau Chi Yan, Pierre <i>(Note 2)</i>	2,125,000	0.55	2,125,000	0.40	2,125,000	0.35
Au Kai To, Karel	20,000,000	5.18	20,000,000	3.73	20,000,000	3.26
Manistar Enterprises Limited	33,294,101	8.63	33,294,101	6.21	33,294,101	5.43
The Placees of the SM Placing <i>(Note 3)</i>	-	-	150,000,000	28.00	150,000,000	24.47
Maximum number of new Shares that can be issued under the New General Mandate <i>(Note 4)</i>	-	-	-	-	77,170,043	12.59
Other public Shareholders	277,633,614	71.96	277,633,614	51.81	277,633,614	45.29
Total	385,850,215	100.00	535,850,215	100.00	613,020,258	100.00

Notes:

- The interests disclosed includes 52,500,000 Shares held by Ivana, which is wholly owned by Mr. Cheung. The remaining 297,500 Shares are held by Mr. Cheung personally.
- Mr. Lau Chi Yan, Pierre is a Director.
- It is a term of the SM Placing Agreement that none of the Placees shall become a substantial shareholder of the Company upon the respective completion of the SM Placing.
- Maximum number of new Shares (calculated based on current 385,850,215 issued Shares) which can be issued under the New General Mandate. The Company confirmed that it will monitor closely and ensure the Company is maintaining the minimum public float requirements as prescribed under the GEM Listing Rules when the new Shares are issued under the New General Mandate from time to time.

As at the Latest Practicable Date, the authorized share capital of the Company is 20,000,000,000 Shares and the issued share capital of the Company is 385,850,215 Shares.

As at the Latest Practicable Date, the Company has outstanding principal amount of HK\$197,880,000 of the zero coupon convertible bonds due 2011 and extended to 2014 with conversion price of HK\$4.00 per share which are convertible into a maximum of 49,470,000 Shares upon full conversion of the convertible bonds.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has 1,569,615 share options with the exercise price of HK\$0.86 per Share and has 128,333 share options with the exercise price of HK\$0.51 per Share granted to the directors of the Company and other eligible participants.

Save as aforesaid, the Company has no other share options, warrants or other outstanding securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Apart from the fund raising activity mentioned below, the Company had not conducted any other fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

Date of initial announcement	Fund raising activity	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
11 June 2013	Issuing rights shares pursuant to a rights issue on the basis of 2 rights shares for every 5 existing shares held by Shareholders	HK\$34.87 million	For general working capital, including but not limited to development of information technology business and the expansion of the Company's existing trading business	Approximately HK\$25.6 million has been used for the redemption of the Company's existing convertible bonds; approximately HK\$2 million has been used for the development of information technology business; approximately HK\$4.3 million has been used for general working capital and the remaining is deposited in bank
6 December 2013	Placing of new Shares under general mandate	HK\$6.58 million	Approximately HK\$3 million for the expansions of the Company's existing trading business and information technology business; approximately HK\$1.58 million for general working capital and approximately HK\$2 million for financing future investment opportunities	Approximately HK\$2 million has been used for the expansions of the Company's existing trading business and the remaining is deposited in bank

LETTER FROM THE BOARD

IMPLICATION OF THE LISTING RULES

To the best knowledge of the Directors, save for the Placing Agent which does not have any shareholding in the Company, none of the Shareholders has a material interest in the transactions contemplated under the SM Placing Agreement as at the Latest Practicable Date. Accordingly, none of the Shareholders will be required to abstain from voting at the EGM in respect of the relevant resolution(s) relating to the SM Placing and the Specific Mandate.

Pursuant to Rule 17.42A of the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. As at the Latest Practicable Date, Mr. Cheung Wai Yin, Wilson being the Chairman, Chief Executive Officer and an executive director of the Company, who holds 52,797,500 Shares representing approximately 13.68% of the issued share capital of the Company, and Mr. Lau Chi Yan, Pierre being the Managing Director and an executive Director of the Company, who holds 2,125,000 Shares representing approximately 0.55% of the issued share capital of the Company, shall abstain from voting in favour of the relevant resolution regarding the refreshment of General Mandate. Pursuant to Rule 17.42A of the GEM Listing Rules, the vote of the Independent Shareholders in respect of the refreshment of the Existing General Mandate at the EGM will be taken by way of poll.

EGM

A notice convening the EGM to be held on Wednesday, 29 January 2014 at 11:00 a.m. at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong is set out on pages 27 to 30 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company's branch share registrar in Tricor Tengis Ltd. at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the appointed time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

The EGM will be held to consider, and if thought fit, pass the requisite resolution(s) to approve (i) issue the SM Placing Shares and (ii) to refresh the Existing General Mandate to issue new Shares.

As disclosed above, as at the Latest Practicable Date, no Shareholder has any material interest in the transactions contemplated under the SM Placing Agreement, therefore, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions to approve the SM Placing and the transactions contemplated thereunder. Mr. Cheung Wai Yin, Wilson and Mr. Lau Chi Yan, Pierre shall abstain from voting in favour of the relevant resolution regarding the refreshment of General Mandate pursuant to the GEM Listing Rules.

LETTER FROM THE BOARD

The resolutions proposed to be approved at the EGM will be taken by poll and an announcement on the results of the EGM will be made by the Company thereafter pursuant to the GEM Listing Rules.

RESPONSIBILITY STATEMENT

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

RECOMMENDATION

The Independent Board Committee has been established to advise the Independent Shareholders on whether the refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole. Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders in connection therewith. The text of the letter from Independent Financial Advisor containing its advice to the Independent Board Committee and the Independent Shareholders is set out from pages 18 to 26 of this circular and the text of the letter from Independent Board Committee to the Independent Shareholders is set out on page 17 of this circular.

The Directors (including non-executive Directors and independent non-executive Directors) consider that (i) the SM Placing and (ii) the refreshment of the Existing General Mandate as set out in the notice of the EGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of all resolutions to be proposed at the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on page 17 of this circular. Your attention is also drawn to the letter of advice from Independent Financial Advisor which set out its recommendation in respect of the refreshment of the Existing General Mandate and the principal factors and reasons considered by it in arriving at such advice. The text of the letter from Independent Financial Advisor is set out on pages 18 to 26 of this circular.

LETTER FROM THE BOARD

GENERAL INFORMATION

Since completion of the SM Placing is subject to the fulfilment of the condition(s) as set out in the SM Placing Agreement, the SM Placing may or may not proceed; Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

In case of any inconsistency between the English and Chinese versions of this circular, the English version will prevail.

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

Hong Kong, 13 January 2014

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the granting of the New General Mandate.

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)

13 January 2014

To the Independent Shareholders,

Dear Sir or Madam,

We refer to the circular of the Company to the Shareholders dated 13 January 2014 (the “Circular”), in which this letter forms part. Unless the context otherwise requires, capitalized terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee and to advise (i) the Independent Shareholders in respect of the grant of the New General Mandate which will enable the Directors to exercise the power of the Company to allot and issue Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM and (ii) to advise whether or not it would be fair and reasonable and in the interests of the Company and the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the grant of the New General Mandate.

We wish to draw your attention on the letter of advice from the Independent Financial Adviser as set out on pages 18 to 26 of the Circular and the letter from the Board as set out on pages 4 to 16 of the Circular. Having considered, among other things, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice we are of opinion that the grant of the New General Mandate are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote for the ordinary resolutions in relation to the refreshment of the Existing General Mandate to be proposed at the EGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee
Independent non-executive Directors

Ms. Yeung Mo Sheung, Ann

Mr. Ng Kay Kwok

Mr. Yip Kat Kong, Kenneth

* For identification purpose only

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the full text of the letter of advice from Goldin Financial in relation to the proposed refreshment of the Existing General Mandate to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this Circular.



高銀融資有限公司
GOLDIN FINANCIAL LIMITED

Goldin Financial Limited
23/F
Two International Finance Centre
8 Finance Street
Central
Hong Kong

13 January 2014

*To the Independent Board Committee and
the Independent Shareholders of
Merdeka Resources Holdings Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company in relation to the proposed refreshment of the Existing General Mandate, details of which are contained in the letter from the Board (the “**Letter from the Board**”) of the circular of the Company dated 13 January 2014 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the content otherwise requires.

Pursuant to Rule 17.42A of the GEM Listing Rules, any refreshment of the general mandate before the next annual general meeting shall be subject to the Independent Shareholders approval by way of poll at the EGM. Any controlling Shareholders and their associates or where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and chief executives of the Company and their respective associates shall abstain from voting in favour of the resolutions for approving the New General Mandate as required under Rule 17.47(6)(a) of the GEM Listing Rules. As at the Latest Practicable Date, save for (i) Mr. Cheung Wai Yin, Wilson who is an executive Director and was beneficially interested in 52,797,500 Shares, representing approximately 13.68% of the total issued share capital of the Company and (ii) Lau Chi Yan, Pierre who is an executive Director and was beneficially interested in 2,125,000 Shares, representing approximately 0.55% of the total issued share capital of the Company, none of the Directors and the chief executive of the Company, and their respective associates had any Shares in the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Ms. Yeung Mo Sheung, Ann, Mr. Ng Kay Kwok and Mr. Yip Kat Kong, Kenneth all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on whether the proposed refreshment of the Existing General Mandate is fair and reasonable, and in the interest of the Company and the Shareholders as a whole.

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the date of the EGM.

The Directors have collectively and individually accepted full responsibility for the Circular which 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, confirmed that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular or the Circular misleading. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in respect of the proposed refreshment of the Existing General Mandate, we have considered the following principal factors and reasons:

1. Background of and reasons for the proposed refreshment of the Existing General Mandate

The Group is engaged in forestry business, plantation business and trading business, including the trading of agricultural-related products and various brands of milk powder products to customers based in Hong Kong and distributorship of information technology products with technical support services.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

At the 2013 AGM held on 28 June 2013, the then Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to allot and issue 45,835,745 new Shares, being 20% of the issued share capital of the Company of 229,178,725 Shares as at the date of passing of the resolution.

On 6 December 2013, the Company and the Placing Agent, entered into a placing agreement pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best endeavour basis, up to 45,000,000 Shares issued under the Existing General Mandate at the issue price of HK\$0.156 per Share to not fewer than six placees, who and whose ultimate beneficial owner are independent third parties to the Company (the “**GM Placing**”), details of which were set out in the announcement of the Company dated 6 December 2013. As of the Latest Practicable Date, the conditions precedents of the GM Placing have been fulfilled and the GM Placing has accordingly been completed on 18 December 2013. The net proceeds, after deduction of the placing commission and other related expenses, were approximately HK\$6.58 million.

Accordingly, 45,000,000 Shares have been issued under the Existing General Mandate, representing that the Existing General Mandate has been utilised as to approximately 98.18%. If the Existing General Mandate is not to be refreshed, only 835,745 new Shares may be further issued under the Existing General Mandate. In addition, we were advised by the Directors that the next annual general meeting of the Company will not be held until around June 2014, which is about 6 months away from the Latest Practicable Date. If the Existing General Mandate (which is to be almost fully utilised) is not to be refreshed at the EGM, the Company will not have the flexibility to raise fund by way of issuing new Shares under the Existing General Mandate, if so required, until a new general mandate is approved at the next annual general meeting.

As mentioned in the interim report of the Company for the six months ended 30 June 2013, in addition to the existing trading of agricultural-related products, the Group has diversified and commenced the trading of dairy products in the second quarter of 2013. On 18 July 2013, the Group has completed the acquisition of 100% interest of Quasicom Systems Limited, providing the Group with an opportunity to diversify into information system business. As announced by the Company on 25 September 2012, the Company through its wholly-owned subsidiary, entered into an agreement (as amended by the supplemental agreements dated 9 and 28 October 2013 and 3 January 2014), on the even day to acquire 100% of the issued share capital in Ever Hero Group. As advised by the management of the Company, such potential acquisition along with the Company’s existing capabilities in the provision of virtualization solutions such as cloud computing and server management, would provide the Company with an opportunity to enter into the expanding mobile game market and diversify the Group’s business portfolio. As disclosed, a circular containing, among other things, further details of the proposed acquisition of Ever Hero Group is expected to be dispatched to the shareholders of the Company on or before 31 March 2014 and the acquisition has not been completed as at the Latest Practicable Date. According to the third quarterly report

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of the Company for the nine months ended 30 September 2013, in order to increase the variety of products for trading business, the Group is actively expanding into the trading of dispensary-related products. In light of the expansion of the trading business and the information technology distribution business as well as to strengthen the working capital base of the Group, the Company is considering carrying out further fund raising activities when and where appropriate. Apart from the GM Placing, on 6 December 2013, the Company and the Placing Agent also entered into the SM Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 150,000,000 SM Placing Shares, to not less than six placees who and whose beneficial owners are independent third parties at a price of HK\$0.156 per SM Placing Share. As of the Latest Practicable Date, the conditions precedents of the SM Placing Agreement have not been fully fulfilled and the SM Placing has not reached completion. The maximum gross proceeds from the SM Placing will be approximately HK\$23.40 million and the maximum net proceeds will be approximately HK\$22.55 million (after deduction of commission and other expenses of the SM Placing). As disclosed in the announcement of the Company dated 6 December 2013, it is expected that the entire net proceeds of the SM Placing will be applied to the expansions of the trading business and the information technology business, including but not limited to the exploration of the opportunities in investing in and/or developing online games, mobile games and financial services related software, as well as for strengthening the general working capital base of the Company. As advised by the management of the Company, as at the Latest Practicable Date, save for the aforementioned information, the Group has not yet identified any other investments/acquisition opportunities to expand and diversify the existing business of the Group. As set out in the Letter from the Board, as there are uncertainties in the world financial market, the Directors are of the view that the instability of the global financial market will persist in the foreseeable future which might have a negative impact to the business of the Group, therefore the possible fund raising activities upon the refreshment of the general mandate is in the benefit of the Company as it can enhance the financial flexibility of the Company during the global financial downturn. Therefore, the Directors are of the view that the refreshment of Existing General Mandate is an appropriate decision as fund raising opportunities may lapse in a short window of time. The refreshment of Existing General Mandate will provide the Group additional fund raising options and can enhance the financial flexibility to capture windows of opportunity promptly for the future development of the Group.

On the basis of a total of 385,850,215 Shares in issue as at the Latest Practicable Date and assuming that no Shares would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the New General Mandate, if granted, will authorise the Directors to allot and issue up to a maximum of 77,170,043 Shares, representing 20% of the issued share capital of the Company as at the date of the EGM.

Having considered that (i) the Existing General Mandate has been utilised as to approximately 98.18%; (ii) the New General Mandate would provide the Group with financial flexibility to raise equity capital expeditiously for its operations or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

expansion as well as to capture investment opportunities that could create returns to the Shareholders; and (iii) the New General Mandate would strengthen the capital base and financial position of the Company amidst the current uncertain economic and market conditions, we are of the view that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

2. History of capital raising activities of the Group during the last 12 months

According to the information provided by the Directors, we summarise the capital raising activity of the Company during the past 12 months immediately preceding the Latest Practicable Date in the following table:

Date of initial announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
11 June 2013	Issuing rights shares pursuant to a rights issue on the basis of 2 rights shares for every 5 existing shares held by Shareholders (the "Rights Issue")	HK\$34.87 million	For general working capital, including but not limited to development of information technology distribution business and the expansion of the Company's existing trading business	Approximately HK\$25.6 million has been used for the redemption of the Company's existing convertible bonds; approximately HK\$2 million has been used for the development of information technology business; approximately HK\$4.3 million has been used for general working capital and the remaining is deposited in bank
6 December 2013	Placing of new Shares under general mandate	HK\$6.58 million	Approximately HK\$3 million for the expansions of the Company's existing trading business and information technology business; approximately HK\$1.58 million for general working capital and approximately HK\$2 million for financing future investment opportunities	Approximately HK\$2 million has been used for the expansions of the Company's existing trading business and the remaining balance is deposited in bank

Save as disclosed above, the Company has not conducted any other capital raising activities in the past twelve months immediately preceding the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As confirmed by the Company, as at 30 November 2013, the unaudited cash and cash equivalents position of the Group was approximately HK\$2.4 million. Having considered the existing cash balance and credit resources of the Group, the Directors are of the view that the Group has sufficient working capital to meet its present operational requirements. As stated in the Letter from the Board, the net proceeds of approximately HK\$34.87 million raised under the Rights Issue was intended for general working capital purposes of the Group, including but not limited to development of information technology distribution business and the expansion of the Company's existing trading business and were fully utilized as intended. Having considered that; (i) the Company has been actively seeking for investments/acquisition opportunities to expand and diversify the information technology and trading business of the Group to bring in returns to the Shareholders as discussed above; (ii) the current cash balance of the Group as confirmed by the Company; and (iii) the net cash proceeds of HK\$22.55 million to be raised under the SM Placing, given that the proceeds of the recent capital raising activity were fully utilised as of the Latest Practicable Date, we consider that there is no certainty that the existing cash and credit resources (including the fund to be raised under the SM Placing) will be adequate for business development and acquisition of appropriate investments that may be identified by the Company in the future. In the event that the Group identifies suitable business or investment opportunities and does not have sufficient cash and credit resources on hand, and it fails to obtain loans on terms which the Directors consider acceptable to the Group or raise funds from the equity market, or it cannot find other alternatives to finance the business development or acquisition of such investment opportunities in a timely manner, the Group may lose its opportunity in an otherwise favourable development/investment.

As mentioned in the Letter from the Board in the Circular, given that the Existing General Mandate has been nearly used up, it is impossible for the Company to proceed with any equity fund raising exercise and/or to issue new Shares as payment consideration in any possible acquisition transaction without first seeking separate approval from the Shareholders. In light of the time and cost involved for convening shareholders' meeting, the inability of the Company to issue new Shares under general mandate will largely reduce the flexibility of the Company to structure any potential share transaction or other acquisition project. In particular, the Company may have to pay cash or settle the acquisition consideration in other ways and lose the chance to broaden its shareholder base if the potential sellers or counterparties are interested to become holders of the Shares. Taking into consideration the recent volatility of the market, the Company may fail to grasp good chance for capital raising and/or investment opportunities if it needs to wait around six months until the next annual general meeting for the grant of a new general mandate or otherwise it is required to seek specific mandate from Shareholders for each equity issuance which may not be the most time and cost efficient way to proceed with the transaction.

Based on the aforesaid, we are of the view that the New General Mandate would provide flexibility to the Company in carrying out fund raising activities, and the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

3. Other financing alternatives

As debt financing may incur interest burden to the Group, equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate means to fund potential investments and/or acquisition, and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition, especially under the situations in which the global financial market has remained uncertain and volatile. Other financing methods such as debt financing and internal cash resources to fund future business development of the Company shall be taken into consideration in appropriate circumstances. In addition, the grant of the New General Mandate allows the Company to raise equity capital within specified number of Shares promptly and when necessary rather than the more time consuming process of applying for specific mandate in the case of alternative pro-rata equity fund raising such as rights issue and open offer when such need for capital may arise in the future. Given the aforementioned reasons, we are of the view that equity financing through the use of the New General Mandate is more flexible and time efficient than alternative equity financing methods such as by way of rights issue or open offer.

We consider that the New General Mandate will provide the Company with an additional alternative for fund raising. It is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the grant of the New General Mandate is in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Potential dilution to shareholding of the Shareholders

We set out below the table depicting the shareholding structure of the Company as at the Latest Practicable Date and, for illustrative purpose only, the potential dilution effect on the shareholdings upon (i) completion of the SM Placing (assuming all the SM Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the SM Placing Shares under the SM Placing); and (ii) full utilisation of the New General Mandate and completion of the SM Placing, assuming that no Shares would be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM:

Shareholders	As at the Latest Practicable Date		(i) Upon completion of the SM Placing <i>(for illustrative purpose only)</i>		(ii) Upon full utilisation of the New General Mandate and completion of the SM Placing <i>(for illustrative purpose only)</i>	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
	Cheung Wai Yin, Wilson <i>(Note 1)</i>	52,797,500	13.68	52,797,500	9.85	52,797,500
Lau Chi Yan, Pierre <i>(Note 2)</i>	2,125,000	0.55	2,125,000	0.40	2,125,000	0.35
Au Kai To, Karel	20,000,000	5.18	20,000,000	3.73	20,000,000	3.26
Manistar Enterprises Limited	33,294,101	8.63	33,294,101	6.21	33,294,101	5.43
The Placees of the SM Placing <i>(Note 3)</i>	-	-	150,000,000	28.00	150,000,000	24.47
Maximum number of new Shares that may be issued under the New General Mandate <i>(Note 4)</i>	-	-	-	-	77,170,043	12.59
Existing public Shareholders	277,633,614	71.96	277,633,614	51.81	277,633,614	45.29
Total	385,850,215	100.00	535,850,215	100.00	613,020,258	100.00

Notes:

- The interests disclosed includes 52,500,000 Shares held by Ivana, which is wholly owned by Mr. Cheung. The remaining 297,500 Shares are held by Mr. Cheung personally.
- Mr. Lau Chi Yan, Pierre is a Director.
- It is a term of the SM Placing Agreement that none of the Placees shall become a substantial shareholder of the Company upon the respective completion of the SM Placing.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Maximum number of new Shares (calculated based on current 385,850,215 issued Shares) which can be issued under the New General Mandate. The Company confirmed that it will monitor closely and ensure the Company is maintaining the minimum public float requirements as prescribed under the GEM Listing Rules when the new Shares are issued under the New General Mandate from time to time.

As illustrated in the table above, assuming no Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, 77,170,043 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% the issued share capital of the Company as at the date of the EGM, and the aggregate shareholding of the existing public Shareholders (excluding those holding the new Shares issuable under the New General Mandate) will decrease from approximately 71.96% as at the Latest Practicable Date to approximately 59.96% upon full utilisation of the New General Mandate without taking into account the potential dilution from the SM Placing.

Taking into account that (i) the New General Mandate will provide an alternative to increase the amount of capital of the Company; (ii) the New General Mandate provides more flexibility and options of financing to the Group for further business development as well as for other potential future investments and/or acquisitions as and when such opportunities arise, especially during the current volatile financial market; and (iii) the fact that the shareholding interests of all the Shareholders will be decreased in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we consider that such potential dilution to shareholdings of the public Shareholders to be justifiable.

RECOMMENDATIONS

Having taken into account the principal factors and reasons referred to the above, we are of the opinion that the proposed grant of the New General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders and recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions approving the New General Mandate and the extension thereof at the EGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New General Mandate is utilised.

Yours faithfully,
For and on behalf of
Goldin Financial Limited
Billy Tang
Director

MERDEKA

MERDEKA RESOURCES HOLDINGS LIMITED

(萬德資源集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Merdeka Resources Holdings Limited (the “**Company**”) will be held on Wednesday, 29 January 2014 at 11:00 a.m. at Jasmine Room, 3/F., Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong for the purposes of considering and, if thought fit, passing the following resolutions with or without amendments as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the placing agreement dated 6 December 2013 entered into between the Company as issuer and CNI Securities Group Limited as placing agent in relation to the placing of a maximum of 150,000,000 new shares (the “**SM Placing Shares**”) of HK\$0.01 each in the share capital of the Company at a placing price of HK\$0.156 per Placing Share (the “**SM Placing Agreement**”) (a copy of which marked “A” has been produced to the meeting and signed by the chairman of the meeting for the purpose of identification) and all transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the SM Placing Shares, the allotment and issue of the SM Placing Shares (the “**Specific Mandate**”), pursuant to and subject to the terms and conditions of the SM Placing Agreement be and are hereby approved. The Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the directors of the Company prior to the passing of this resolution; and
- (c) the directors of the Company be and are hereby authorised to sign, execute, perfect, deliver and do all such documents, deeds, acts, matters and things, as the case may be in their discretion consider desirable or expedient to give effect to the SM Placing Agreement and all the transactions contemplated thereunder as well as in relation to the issue and allotment of the SM Placing Shares (as defined in the circular of the Company dated 13 January 2014) and to agree to such variation, amendment or waiver as are, in the opinion of the directors of the Company, in the interest of the Company.”

* For identification purpose only

NOTICE OF EGM

2. “**THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting of the Company held on 28 June 2013 be and is hereby revoked and replaced by the mandate **THAT**:
- (a) subject to paragraph (c) of this resolution and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the share capital of the Company or options, warrants, or similar rights to subscribe for any shares and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company), which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of conversion under any securities which are convertible into shares of the Company, or (iii) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time, or (iv) the grant or exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company, shall not in aggregate exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF EGM

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment or issue of shares in the share capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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

Hong Kong, 13 January 2014

*Head office and Principal Place of
business in Hong Kong:*
Room 1502
Chinachem Century Tower
178 Gloucester Road
Wanchai, Hong Kong

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

NOTICE OF EGM

Notes:

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