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MERDEKA

MERDEKA RESOURCES HOLDINGS LIMITED

(萬德資源集團有限公司*)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

SUBSCRIPTION OF 60% OF THE ENLARGED SHARE CAPITAL OF MIAN YANG HENG DA

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 17 February 2014 in relation to, among other things, the MOU between the Group and Mian Yang Heng Da in respect of the subscription of 60% of the enlarged share capital of Mian Yang Heng Da.

The Board is pleased to announce that on 1 April 2014 (after the trading hours), Gold Coin has entered into the Shareholders Agreement with, MYHD Investments, the existing shareholder of Mian Yang Heng Da, pursuant to which Mian Yang Heng Da will increase its registered capital by RMB4,500,000, in which Gold Coin agreed to subscribe for registered capital of Mian Yang Heng Da in the amount of RMB3,000,000 and agreed to pay RMB1,000,000 to Mian Yang Heng Da credited as the subscription by MYHD Investments.

As the equity interests of Gold Coin in the enlarged share capital of Mian Yang Heng Da will be 60% after the Capital Enlargement, Mian Yang Heng Da will become an indirect subsidiary of the Company upon the completion of the Capital Enlargement.

* For identification purposes only

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 17 February 2014 (the “**Announcement**”) in relation to, among other things, the MOU between the Group and Mian Yang Heng Da Information Technology Limited (綿陽恒達信息科技有限公司) (“**Mian Yang Heng Da**”) in respect of the subscription of 60% of the enlarged share capital of Mian Yang Heng Da. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context herein requires otherwise.

The Board is pleased to announce that on 1 April 2014 (after the trading hours), Gold Coin has entered into a shareholders’ agreement (the “**Shareholders Agreement**”) with Mian Yang Heng Da Investments Limited (綿陽恒達投資有限公司) (“**MYHD Investments**”), the existing shareholder of Mian Yang Heng Da, pursuant to which Mian Yang Heng Da will increase its registered capital to RMB5,000,000 from RMB500,000 by increasing RMB4,500,000 (the “**Capital Enlargement**”), in which Gold Coin agreed to subscribe for registered capital of Mian Yang Heng Da in the amount of RMB3,000,000 and agreed to pay RMB1,000,000 to Mian Yang Heng Da credited as the subscription by MYHD Investments (together the “**Consideration**”).

Set out below are the major terms of the Shareholders Agreement:

SHAREHOLDERS AGREEMENT

Date: 1 April 2014

Parties: (a) Gold Coin, a wholly-owned subsidiary of the Company
(b) MYHD Investments, the existing shareholder of Mian Yang Heng Da

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Mian Yang Heng Da, MYHD Investments and its ultimate beneficial owner(s) are independent third parties who are not connected persons of the Company as defined in the GEM Listing Rules and are independent of the Company and connected person(s) of the Company.

Amount of Capital Enlargement and Consideration:	Subscribers	Registered capital to be subscribed (RMB)	Consideration (RMB)	Payment method
	MYHD Investments	500,000	–	Capitalisation of existing shareholder's loan to Mian Yang Heng Da
		1,000,000	–	Cash (<i>Note</i>)
	Gold Coin	<u>3,000,000</u>	4,000,000	Cash
		<u>4,500,000</u>		

Note: As part of the Consideration and pursuant to the Shareholders Agreement, Gold Coin will pay a sum of RMB1,000,000 to Mian Yang Heng Da credited as the subscription by MYHD Investments in the enlarged registered capital of Mian Yang Heng Da. As a result, the total consideration paid by Gold Coin is RMB4,000,000.

MYHD Investments has waived its pre-emptive rights on the Capital Enlargement.

Conditions Precedent: Completion of the parties' obligations to subscribe for the Capital Enlargement is conditional on, amongst other things:

- (1) the Shareholders Agreement, the new articles of association and other prerequisite documents relating to the registration of changes and the registration of Mian Yang Heng Da as a foreign invested joint venture have been duly executed by all shareholders of Mian Yang Heng Da and approved by the relevant PRC governmental departments; and
- (2) all necessary authorisation, approvals, permits and consents have been duly granted by each of the PRC and Hong Kong authorities.

If the registration of changes and the registration as a foreign invested joint venture are not completed after 14 days from the time required to effect them, Gold Coin can terminate the Shareholders Agreement in writing and in which event Mian Yang Heng Da shall refund within 14 days from the termination of the Shareholders Agreement to Gold Coin the Consideration with interests equal to and calculated on the PRC bank lending rate.

Payment: Gold Coin shall make its capital contribution within 365 days from the date of the Shareholders Agreement or on or before 31 March 2015.

Use of proceeds: The Consideration will be utilized for business development and general working capital of Mian Yang Heng Da.

Management: The board of directors of Mian Yang Heng Da shall comprise 3 directors of which Gold Coin shall be entitled to appoint 2 directors and MYHD Investments shall have the right to appoint 1 director. The directors may choose one of the directors recommended by MYHD Investments as the chairman of the board of directors.

Mian Yang Heng Da shall have 2 supervisors, one of whom shall be appointed by Gold Coin and the other supervisor shall be appointed by MYHD Investments.

The general manager, the deputy general managers and the financial controller of Mian Yang Heng Da shall be appointed by the board of directors, in which Gold Coin shall have the right to recommend the financial controller.

SHAREHOLDING STRUCTURE OF MIAN YANG HENG DA BEFORE AND AFTER COMPLETION OF CAPITAL ENLARGEMENT

The following table summarises the shareholding structure of Mian Yang Heng Da immediately before and after the completion of the Capital Enlargement:

	Before Capital Enlargement		After Capital Enlargement	
	Capital contribution	Percentage of equity interests	Capital contribution	Percentage of equity interests
	(RMB)	(%)	(RMB)	(%)
MYHD Investments	500,000	100	2,000,000	40
Gold Coin	—	—	3,000,000	60
Total registered capital	500,000	100	5,000,000	100

INFORMATION IN RELATION TO MIAN YANG HENG DA

Mian Yang Heng Da is a company established in the PRC and is principally engaged in the development, transfer and services for worldwide web products in information technology; manufacturing and sales of electronic products and accessories; corporate information management consulting services; computer network engineering and sales, installation and maintenance of computer based equipment. Mian Yang Heng Da is actively developing the mobile games and the cloud based city Wi-Fi application software.

REASONS FOR AND BENEFIT OF THE SHAREHOLDERS AGREEMENT

The Group is principally 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.

As disclosed in various communications by the Company with its shareholders and public investors, the Group, besides actively expanding 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.

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 considers that mobile game industry is a good business opportunity for the Company to explore.

As Mian Yang Heng Da is developing its mobile games and the cloud based city Wi-Fi application software, the investment in Mian Yang Heng Da by the Group through the Capital Enlargement is in line with the Group's business development plans.

FINANCIAL IMPACT

The Company will use its internal resources to satisfy the Consideration.

As the equity interests of Gold Coin in the enlarged share capital of Mian Yang Heng Da will be 60% after the Capital Enlargement, Mian Yang Heng Da will become an indirect subsidiary of the Company upon the completion of the Capital Enlargement.

GEM LISTING RULES IMPLICATIONS

As all applicable percentage ratios of size tests are below 5%, the Shareholders Agreement and the subscription contemplated thereunder do not constitute a notifiable transaction of the Company under the GEM Listing Rules.

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

Hong Kong, 1 April 2014

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

Executive Directors:

Mr. Cheung Wai Yin, Wilson (*Chairman and Chief Executive Officer*)

Mr. Lau Chi Yan, Pierre (*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

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

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