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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: 08163)

MEMORANDUM OF UNDERSTANDING

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board is pleased to announce that on 15 November 2011, MRI entered into the MOU with the Prospective Seller in relation to the Prospective Transaction.

The Company has been engaged in timber business including the upstream operations of harvesting timber and the downstream operations of production of timber and wood products, plantation business and trading business.

The MOU may or may not lead to the entering of the Definitive Agreement and the transaction contemplated thereunder may or may not be consummated.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

THE MOU

The Board is pleased to announce that on 15 November, 2011, MRI (an indirect wholly owned subsidiary of the Company) and the Prospective Seller entered into the MOU in relation to the Prospective Transaction.

** for identification purposes only*

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Prospective Seller 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.

PRINCIPAL TERMS OF THE MOU

The MOU provides, inter alia,

1. MRI may (subject to the entering into the Definitive Agreement) acquire from the Prospective Seller the Products on an "as is" basis with no warranties as to contents;
2. The total contract price is US\$5,000,000 equivalent to US\$1.00 per metric tonne of tailings;
3. MRI shall effect payment of the contract price to the Seller in accordance with the following schedule:-
 - (a) US\$2,000,000 upon signing of the Definitive Agreement;
 - (b) a further US\$500,000 within 18 months from the date of the Definitive Agreement;
 - (c) a further US\$500,000 within 24 months from the date of the Definitive Agreement;
 - (d) a further US\$500,000 within 30 months from the date of the Definitive Agreement;
 - (e) a further US\$500,000 within 36 months from the date of the Definitive Agreement;
 - (f) a further US\$500,000 within 42 months from the date of the Definitive Agreement; and
 - (g) the remaining US\$500,000 within 48 months from the date of the Definitive Agreement;
4. The Prospective Seller shall make such quantity of tailings available for the MRI to take delivery in accordance with the following schedule:-
 - (a) 500,000 metric tonnes within 12 months from the date of the Definitive Agreement;
 - (b) a further 500,000 metric tonnes within 18 months from the date of the Definitive Agreement;
 - (c) a further 500,000 metric tonnes within 24 months from the date of the Definitive Agreement;
 - (d) a further 500,000 metric tonnes within 30 months from the date of the Definitive Agreement;
 - (e) a further 1,000,000 metric tonnes within 36 months from the date of the Definitive Agreement;
 - (f) a further 1,000,000 metric tonnes within 42 months from the date of the Definitive Agreement; and
 - (g) the remaining 1,000,000 metric tonnes within 48 months from the date of the Definitive Agreement;

5. MRI is allowed a maximum of 6 years from date of the Definitive Agreement to take delivery of the Products made available by the Prospective Seller. Any delivery of the Products that is not being taken within 6 years from the date of the Definitive Agreement shall be absolutely forfeited to the Prospective Seller;
6. Payment of the contract price is in accordance with the payment schedule and is independent of the delivery schedule of the Products;
7. If the Prospective Seller failed to make available the Products to MRI in accordance with the delivery schedule, the Prospective Seller shall compensate MRI with a liquidated damages of US\$2.00 per metric tonne of the Products that the Prospective Seller shall fail to make available to MRI;
8. The Prospective Seller agrees that it shall not, and will cause its employees, officers, agents and representatives and any of its subsidiaries and affiliates not to, at any time during ninety (90) days from the date of the MOU to solicit, initiate, encourage or engage in any negotiation or discussion with any third party on the Prospective Transaction or any other deals or transactions in whatever manner if a similar nature to that of the Prospective Transaction apart from any negotiation and discussion done and engaged with MRI or its employees, officers, agents, representatives, consultants and advisors; and
9. Save and except to clause 8 above, the MOU is not legally binding on the parties thereto.

GENERAL

The Company has been engaged in timber business including the upstream operations of harvesting timber and the downstream operations of production of timber and wood products, plantation business and trading business.

The MOU may or may not lead to the entering of the Definitive Agreement and the transaction contemplated thereunder may or may not be consummated.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context does not permit or otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Company”	MERDEKA RESOURCES HOLDINGS LIMITED, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Definitive Agreement”	the formal sale and purchase agreement to be entered into between the Prospective Seller and MRI with respect to the Proposed Transaction
“Director(s)”	directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“MOU”	the memorandum of understanding dated 15 November 2011 entered into between MRI and the Prospective Seller
“MRI”	MERDEKA RESOURCES INTERNATIONAL LIMITED, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“PRC”	The People's Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
“Products”	5,000,000 metric tonnes of tailings located in and near to the city of Timika, Papua, Indonesia
“Prospective Seller”	PT GOLDENPAPUA MATERIALS, a company incorporated in Indonesia
“Prospective Transaction”	the proposed acquisition of the Products by MRI from the Prospective Seller with a total contract price of US\$5,000,000 or equivalent to US\$1.00 per metric tonne of the Products
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board of
MERDEKA RESOURCES HOLDINGS LIMITED
Ma Hang Kon, Louis
Chief Executive Officer

Hong Kong, 15 November 2011

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

Executive Directors:

Mr. Ma Hang Kon, Louis (*Chief Executive Officer*)

Mr. Lai Wing Hung

Mr. Wong Shui Lung

Non-executive Director:

Mr. Yeh Shuen Ji (*Chairman*)

Mr. Bai Baohua

Independent Non-executive Directors:

Mr. Lam Kin Kau, Mark

Mr. Fung Hoi Wing, Henry

Mr. Lau Ho Wai, Lucas

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

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