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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE LOAN AGREEMENT

CONTINUING CONNECTED TRANSACTIONS

In accordance with the Acquisition Agreement, on or before the Long Stop Date, the Lender and the Borrower will enter into the Loan Agreement pursuant to which the Borrower would have agreed to repay to the Lender the Principal Sum for a term of one calendar year commencing from the Completion Date.

GEM LISTING RULES IMPLICATIONS

As upon Completion, the Lender will become an indirect wholly-owned subsidiary of the Company, simultaneously the Borrower, who remains as the director of the Lender, will become a connected person of the Company. Based on the total amount of HK\$11,980,729 due from the Borrower as at 31 August 2013, it is expected that each of the percentage ratios (other than the profits ratio), where applicable, calculated with reference to Rule 19.07 of the GEM Listing Rules, will exceed 5% and the consideration is more than HK\$10,000,000 on an annual basis. The entering into of the Loan Agreement and the transactions contemplated thereunder constitute a non-exempt continuing connected transactions of the Company under Rule 20.35 of the GEM Listing Rules and are subject to the reporting, annual review, announcement and independent shareholders' approval requirements set out in Rule 20.45 to 20.48 of the GEM Listing Rules.

* For identification purpose only

GENERAL

A circular which contains, among other information, (i) a letter from the Board containing further details of the Loan Agreement; (ii) a letter from the independent committee of the Board setting out its recommendations in connection with the Continuing Connected Transactions to the Independent Shareholders; (iii) a letter from an independent financial adviser containing its advice in connection with the Continuing Connected Transactions to the independent committee of the Board and the Independent Shareholders; and (iv) notice of the EGM is expected to be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

Reference is made to the announcement of the Company dated 25 September 2012, the Clarification Announcement dated 10 October 2012, the First Delay Despatch Announcement dated 27 November 2012, the Long Stop Date Announcement dated 31 December 2012, the Delay Despatch Announcements dated 31 January 2013, 31 March 2013, 28 June 2013, 30 September 2013, 30 December 2013, the Supplemental Agreement Announcements dated 9 October 2013, 28 October 2013 and 3 January 2014 (collectively the “**Announcements**”) and the circular of the Company dated 29 January 2014 (the “**Circular**”) in relation to, inter alia, the proposed acquisition of 100% issued share capital of Ever Hero Group Limited. Terms used herein shall have the same meanings as those defined in the Announcements and the Circular unless the context herein requires otherwise.

THE LOAN AGREEMENT

In accordance with the Acquisition Agreement, on or before the Long Stop Date, the Lender and the Borrower will enter into the Loan Agreement pursuant to which the Borrower would have agreed to repay to the Lender the Principal Sum for a term of one calendar year commencing from the Completion Date.

Date:

On or before the Long Stop Date

Parties:

- (1) Netgenii Technology Limited (as Lender)
- (2) Mr. Kong Lung Cheung, Jeff (as Borrower)

The Loan:

HK\$11,980,729 as at 31 August 2013 and shall mean the total outstanding amount due from the Borrower to the Lender on the date of the Loan Agreement under the terms and conditions of the Loan Agreement.

Interest:

The Loan shall be non-interest bearing.

Term and Repayment:

Subject to the provisions contained therein the Loan Agreement, the Borrower shall repay to the Lender the Principal Sum to a bank account designated by the Lender:

- (a) on the expiration of one calendar year from the Completion Date; or
- (b) upon demand from the Lender by way of not less than 3 months prior written notice served on the Borrower in accordance with the provisions of the Loan Agreement.

Prepayment:

Upon the Borrower giving seven (7) days prior written notice to the Lender specifying the date of prepayment, the Borrower shall be entitled to prepay all or any part of any outstanding balance of the Principal Sum at any time prior to the designated repayment date without penalty.

Conditions Precedent:

The Loan Agreement shall be subject to the satisfaction of the following conditions precedent:

- (a) the Loan Agreement and the transactions contemplated therein are being approved by the independent shareholders of the Company pursuant to the GEM Listing Rules; and
- (b) Completion of the Acquisition Agreement has taken place in accordance with its terms and conditions.

Immediate Repayment:

In case the resolution(s) in relation to the approval and ratification of the Loan Agreement and the transactions contemplated thereunder were not obtained from the independent shareholders of the Company in the EGM in due course, the Lender may by 24 hours written notice to the Borrower declare that all moneys owing under this Agreement (whether actually or contingently) to be immediately due and payable, upon which, the Borrower shall repay all moneys owing herein to the Lender within 3 months from such notice.

REASONS FOR ENTERING INTO THE LOAN AGREEMENT

The approval of the Continuing Connected Transactions by the Independent Shareholders at the EGM is one of the conditions precedent to the Completion of the Acquisition Agreement. The Loan Agreement was arrived at after arm's length negotiation between the parties thereto on normal commercial terms.

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.

Having considered the pessimistic outlook on the forestry and plantation business, the Group would improve its profitability by exploring other potential business opportunity. Mr. Lau Chi Yan, the Managing Director of the Company, joined the Group in August 2012 and has accumulated over 13 years in the field of information system and operational system. Leveraging the experience of the Directors, the management continued to seek for new business opportunity of the Group. In July 2013, the Group has completed the acquisition of Quasicom, which had a service team of high caliber technicians with over 7 years of experience in the information technology industry, specializes in virtualization solutions providing direct consulting services such as cloud computing and server management. Such acquisition provided an opportunity for the Group to diversity into information system business and strengthened the network and experience of the Group to further expand in the information system industry.

It is expected that the Acquisition will contribute profit to the Group for the coming financial year after Completion. The Directors consider that such Acquisition represents a good opportunity for the Company to enter into information system industry as the Target Group has (i) gained extensive experience in the information technology industry from the track record of the Hong Kong Company (previously known as "**Xcreate Company Limited**") who is one of the most creative multi-media producers and game developers in the past 16 years; (ii) established its reputation on software development, including but not limited to online education, school education, home education, animation and network educational games;

(iii) generated net profit after tax for the year ended 31 March 2013; and (iv) achieved substantial growth in turnover and net profit after tax for the year ended 31 March 2013.

In case the resolution(s) in relation to the approval of the Loan agreement and the transactions contemplated thereunder were not obtained in EGM, the Borrower shall repay all moneys owing to the Lender within 3 months from such notice.

In view of the above factors, the Directors are of the view that the terms and conditions of the Loan Agreement are fair and reasonable, and are in the interest of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As upon Completion, the Lender will become an indirect wholly-owned subsidiary of the Company, simultaneously the Borrower, who remains as the director of the Lender, will become a connected person of the Company. Based on the total amount of HK\$11,980,729 due from the Borrower as at 31 August 2013, it is expected that each of the percentage ratios (other than the profits ratio), where applicable, calculated with reference to Rule 19.07 of the GEM Listing Rules, will exceed 5% and the consideration is more than HK\$10,000,000 on an annual basis. The entering into of the Loan Agreement and the transactions contemplated thereunder constitute a non-exempt continuing connected transactions of the Company under Rule 20.35 of the GEM Listing Rules and are subject to the reporting, annual review, announcement and independent shareholders' approval requirements set out in Rule 20.45 to 20.48 of the GEM Listing Rules.

GENERAL

A circular which contains, among other information, (i) a letter from the Board containing further details of the Loan Agreement; (ii) a letter from the independent committee of the Board setting out its recommendations in connection with the Continuing Connected Transactions to the Independent Shareholders; (iii) a letter from an independent financial adviser containing its advice in connection with the Continuing Connected Transactions to the independent committee of the Board and the Independent Shareholders; and (iv) notice of the EGM is expected to be despatched to the Shareholders on or before 22 February 2014.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associates”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Borrower”	Mr. Kong Leung Cheung, Jeff, director of the Lender and a connected person of the Company upon Completion of the Acquisition Agreement
“Company”	Merdeka Resources Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions constituted by the transactions contemplated under the Loan Agreement
“Director(s)”	director(s) 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 Loan Agreement and the transactions contemplated thereunder
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Independent Shareholders”	Shareholders other than the Directors (excluding the independent non-executive Directors), chief executive of the Company and their respective associates
“Lender”	Netgenii Technology Limited, a company incorporated in Hong Kong with limited liability
“Loan Agreement”	an interest-free loan agreement for a term of one calendar year commencing from the Completion Date in respect of the amount due from the Borrower to the Lender as at the date of the loan agreement
“PRC”	the People’s Republic of China
“Principal Sum”	HK\$11,980,729 as at 31 August 2013 and shall mean the total outstanding amount due from the Borrower to the Lender on the date of the Loan Agreement under the terms and conditions of the Loan Agreement
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 7 February 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>.