

Merdeka Resources Holdings Limited Announces 2010 Annual Results

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HONG KONG, March 28, 2011 /PRNewswire-Asia/ -- Merdeka Resources Holdings Limited (HKEx: 8163, the "Company" or "Merdeka") announced its annual results for the year ended 31 December 2010. Revenue of the Company for the year ended 31 December 2010 was HK\$6,715,000, representing a decrease of 3.66% as compared to the same period of last year. The Company reported a loss of approximately HK\$67,454,000 mainly due to non-cash accounting charges and the start-up cost of the forestry and plantation business.

The forestry business requires large initial capital and the Company continues to make good progress during the last two years in building a foundation for continued business expansion. We have completed the earlier stage of investment and have commenced the upstream forestry operations in the logging and harvesting of trees. We have completed basic infra-structure such as road and bridges which will support future oil palm plantation. In the downstream operations, the Company has completed its wood processing industrial facilities including two sawmills, one veneer factory, boiler room, workshop, warehouses and staff living area. We have commenced commercial production.

As for the oil palm plantation business, the Group has commenced the nursery operations by purchasing seeds and engaging expert contractor for the day-to-day caring of the seedlings. The seedlings are in good condition and will be ready for planting in 2011.

Looking forward, Mr. Louis Ma, CEO of the Company, said "the PRC is expected to sustain its economic growth in a healthy manner and in particular its housing, infrastructure and construction sectors will continue to be robust, thus demand for the timber and wood products is expected to remain strong. In addition, the global demand for vegetable oil, especially from emerging countries, continues to increase and we are confident about the forestry and plantation resources business. The Company has been proactively investing in the infra-structure, production facilities and human resources, and laid a strong foundation for our sustained growth and profitability in the long term. Looking ahead, Merdeka will focus on the commercial production and sales of our timber products and set the stage for our plantation operations. We believe this will bring good return for our shareholders."

About Merdeka Resources Holdings Limited

Merdeka Resources Holdings Limited is listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (stock code: 8163). Merdeka is principally engaged in timber business and owes concessions with an aggregate area of 313,500 hectares of natural forests located in Papua, Indonesia. The Company is also engaged in plantation business, planting oil palms and processing fruits from oil palms into palm oil. Merdeka is also engaged in trading business.