

Appendix 4E
Preliminary final report
Murchison Holdings Limited
A.B.N. 52 004 707 260

1. REPORTING PERIOD

The financial information contained in this report is for the year ended 30 June 2013. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2012.

The Preliminary Final Report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (“AIFRS”). Compliance with AIFRS ensures that the report, comprising the financial statements and note thereto, complies with International Financial Reporting Standards (“IFRS”).

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$HKD'000
Revenues from ordinary activities	Down	55%	to	139,241
Loss for ordinary activities after tax attributable to members	Down	1,056%	to	(40,488)
Loss for the year attributable to members	Down	1,056%	to	(40,488)
Dividends (distributions)	Please refer to Note 8.			

Review of Operation

Murchison Holdings Limited and its controlled entities continued to earn their income from activities in the sectors of investments, stockbroking, nominee services, settlement services, electronics businesses, information technology and processing and sale of processed seafood. Our focus has continued to be markets in South East Asia, Australia, Europe and the USA. The consolidated losses from continuing operations after providing for income tax & eliminating minority equity interests amounted to HKD\$40,488,229 of which HKD\$31,170,000 was attributable to the impairment to a nominal amount of the Company’s investment in Quest Marine Resources Limited particulars of which are set out at Note 14C hereof. Although the Directors have adopted a conservative approach to the carrying value of the said investment at this time, this does not preclude them from revaluing the said asset when circumstances change and sufficient appropriate evidence of the recoverable amount is obtained whereupon the carrying value of Investments Accounted for Using the Equity Method will be adjusted to reflect that value.

3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	2013 HKD\$000	2012 HKD\$000
Revenue	139,241	310,693
Cost of Sales	(133,844)	(307,989)
Gross Profit	5,397	2,704
Other Income	2,984	7,058
Employee Benefits expenses	(9,291)	(8,675)
Depreciation	(126)	(150)
Finance costs	(329)	(677)
Other operating expenses	(8,899)	(6,608)
Share of operating net profits of a associates	-	1,420
Impairment of Investment	(31,170)	-
Loss before income tax expenses	(41,434)	(4,928)
Income tax expenses	(86)	-
Loss for the year	(41,520)	(4,928)
Other comprehensive income		
Foreign currency translation differences:	-	-
Other comprehensive income for the year, net income tax	-	-
Total comprehensive (loss) for the year	(41,520)	(4,928)
Loss attributable to :		
Owners of the company	(40,488)	(3,500)
Non-controlling interest	(1,032)	(1,428)
Loss for the year	(41,520)	(4,928)
Total comprehensive income attributable to :		
Owners of the company	(40,488)	(3,500)
Non-controlling interest	(1,032)	(1,428)
Total comprehensive (loss) for the year	(41,520)	(4,928)
Earning per share		
Basic losses per share (cents per share)	(200.05)	(17.36)
Diluted losses per share (cents per share)	(200.05)	(17.36)

The accompanying notes form part of these financial statements.

4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	<u>2013</u> HKD\$000	<u>2012</u> HKD\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,027	3,072
Trade and other receivables	59,548	62,467
Financial assets	16,442	14,288
Other current assets	39	48
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TOTAL CURRENT ASSETS	79,056	79,875
NON-CURRENT ASSETS		
Investment accounted for using the equity method	3,399	34,569
Financial assets	54,786	51,786
Plant and equipment	671	248
Trade and other receivables	52,123	51,944
Other non-current assets	760	760
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TOTAL NON-CURRENT ASSETS	111,739	139,307
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TOTAL ASSETS	190,795	219,182
CURRENT LIABILITIES		
Trade and other payables	41,552	33,059
Financial liabilities	3,377	1,599
Taxation	86	-
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TOTAL CURRENT LIABILITIES	45,015	34,618
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NET ASSETS	145,780	184,564
EQUITY		
Issued capital	138,813	138,604
Reserves	15,616	14,252
(Accumulated losses) / Retained profits	(42,616)	1,467
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Parent Interest	111,813	154,323
Minority equity interest	33,967	30,241
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TOTAL EQUITY	145,780	184,564
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The accompanying notes form part of these financial statements.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

Note	HK\$000	HK\$000	HK\$000			HK\$000	HK\$000
	Ordinary Share	Accumulated (Losses) / Retained Earnings	Reserve			Non- controlling interests	Total
			Share Option	Capital Profits	Foreign Currency Translation		
Balance at 1 July 2012	138,604	1,467	2,787	1,666	9,799	30,241	184,564
Total comprehensive income for the year							
Loss for the year	-	(40,488)	-	-	-	(1,032)	(41,520)
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	(40,488)	-	-	-	(1,032)	(41,520)
Change in non-controlling interest	-	(3,379)	-	-	-	3,379	-
Reinvestment	216	(216)	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Share issue during the year	-	-	-	-	-	-	-
Share bought back during the year	(7)	-	-	-	-	-	(7)
Share Options exercised	-	-	(50)	-	-	-	(50)
Share Options expenses	-	-	1,414	-	-	-	1,414
Change of minority interest	-	-	-	-	-	1,379	1,379
Total transaction with owners	(7)	-	1,364	-	-	1,379	2,736
Balance at 30 June 2013	138,813	(42,616)	4,151	1,666	9,799	33,967	145,780

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Cont'd)

FOR THE YEAR ENDED 30 JUNE 2013

	HK\$000	HK\$000	HK\$000			HK\$000	HK\$000
	Ordinary Share	Retained Earnings	Reserve			Non- controlling interests	Total
Note			Share Option	Capital Profits	Foreign Currency Translation		
Balance at 1 July 2011	138,486	5,316	2,486	1,666	9,799	31,792	189,545
Total comprehensive income for the year							
Loss for the year	-	(3,500)	-	-	-	(1,428)	(4,928)
Total comprehensive loss for the year	-	(3,500)	-	-	-	(1,428)	(4,928)
Change in non-controlling interest	-	74	-	-	-	(123)	(49)
Transactions with owners, recorded directly in equity							
Share issue during the year	239	(239)	-	-	-	-	-
Share bought back during the year	(121)	-	-	-	-	-	(121)
Dividends paid by parent entity	-	(184)	-	-	-	-	(184)
Lapse of pervious option granted	-	-	(67)	-	-	-	(67)
Share Options expenses	-	-	368	-	-	-	368
Total transaction with owners	118	(423)	301	-	-	-	(4)
Balance at 30 June 2012	138,604	1,467	2,787	1,666	9,799	30,241	184,564

6. CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	<u>2013</u> <u>HKD\$000</u>	<u>2012</u> <u>HKD\$000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	154,870	319,477
Payments to suppliers and employees	(156,242)	(320,671)
Interest received	394	192
Interest and other costs of finance paid	(329)	(677)
Dividend received	58	51
Dividend payment	-	(239)
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NET CASH (USED) IN OPERATING ACTIVITIES	(1,249)	(1,867)
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CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(548)	(142)
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NET CASH USED IN INVESTING ACTIVITIES	(548)	(142)
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CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of related companies loan	(59)	(184)
Proceeds from issue of share	-	239
Share buy-back payment	(7)	(121)
Change in non-controlling interest	-	(49)
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NET CASH (USED) / PROVIDED IN FINANCING ACTIVITIES	(66)	(115)
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Net decrease in cash held	(1,863)	(2,124)
Cash at the beginning of financial year	1,513	3,637
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CASH AT THE END OF FINANCIAL YEAR	(350)	1,513
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ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,027	3,072
Borrowings	(3,377)	(1,559)
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	(350)	1,513
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The accompanying notes form part of these financial statements.

7. ISSUED CAPITAL

a. Movement in share capital

	2013 HKD\$000	2012 HKD\$000
20,263,251 (2012: 20,192,620) fully paid ordinary shares	138,813	138,604
Balance at 1 July 2012: 20,192,620 shares (1 July 2011: 20,132,313 shares)	138,604	138,486
Shares issued by reinvestment during the year: 80,631 shares (2012: 111,648 shares)	216	239
Shares buyback during the year: 10,000 shares (2012: 5,705 shares)	(7)	(121)
Balance at 30 June 2013: 20,263,251 shares (30 June 2012: 20,192,620 shares)	138,813	138,604

b. Ordinary shares

All capital consists of fully paid ordinary shares which are listed on the ASX and carry one vote per share and the right to receive dividends.

8. DIVIDENDS

The Company did not pay any dividends during the year ended 30 June 2013 and no dividends are presently proposed as being payable.

9. CONSOLIDATED ACCUMULATED LOSSES

	2013 HKD\$000	2012 HKD\$000
Retained earnings at the beginning of the financial year	1,467	5,316
Change in non-controlling interest	(3,379)	74
Dividends paid by parent entity	-	(184)
Shares issued by reinvestment	(216)	(239)
Losses attributable to members of the parent entity	(40,488)	(3,500)
Accumulated losses / Retained earnings at the end of the year	(42,616)	1,467

10. NET TANGIBLE ASSETS PER SECURITY

	2013	2012
Net tangible assets per security	719 cents	915 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 20,272,251)

11. EARNINGS PER SHARE

	2013 Cents	2012 Cents
Basic losses per share (a)	(200.05)	(17.36)
Diluted losses per share (b)	(200.05)	(17.36)
(a) Basic losses per share	\$000	\$000
Losses used to calculate losses per share	(40,488)	(3,500)
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share	20,238,745	20,161,812
(b) Diluted losses per share		
Losses used to calculate losses per share	(40,488)	(3,500)
Weighted average number of ordinary shares used as the denominator in calculating Diluted losses per share	20,238,745	20,161,812

12. CHANGES IN CONTROL OVER GROUP ENTITIES

There is no change in control over group entities during the year.

13. ASSOCIATES AND JOINT VENTURES

Details of associates and joint ventures entities including the name of the associates or joint venture entity and details of the reporting entity's percentage holding in each of these entities and where material to an understanding of the report aggregate share of profits (losses) of these entities, details of contributions to net profits for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Name of entity	% Holding	Aggregate Share of profit (losses)		Contribution to net profit	
		Current Period	Previous corresponding period	Current Period	Previous corresponding period
		\$	\$	\$	\$
Quest Securities Limited	15.38	Nil	Nil	Nil	Nil
Meredeen Investment Limited	39.20	Nil	Nil	Nil	Nil
Quest Marine Resources Limited	43.37	Nil	777,875	Nil	777,875

The consolidated entity has written off its entire investment in Quest Securities Limited, Meredeen Investments Limited and Quest Marine Resources Limited accordingly no further losses have been recognised from these three associated companies.

14. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2013

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

The significant accounting policies are set out below.

Statement of Compliance

The preliminary financial report is a financial report that has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

It is recommended that this financial report be read in conjunction with the 2012 annual report, the December 2012 half year report and any public announcements made by Murchison Holdings limited and its controlled entities during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The Board of Directors approved the preliminary financial report on 30th August 2013.

Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated under the option available in ASIC Class Order 98/100.

The Group has adopted all of the new and revised standards and Interpretations issued by the Australian Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

Accounting Policies

The same accounting policies and methods of computation have been followed in this financial report as were applied in the most recent interim and annual financial statements.

Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2013 annual report.

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

B. STATEMENT OF OPERATIONS BY SEGMENTS

Business segments

The consolidated entity is organised on a global basis into the following divisions by service type.

Investments

Investments in marketable securities

Stockbroking

Provision of share trading services to clients

Corporate Advisory

Provision of corporate advisory services to clients

Telecom

Provision of communication equipment and services to clients

Geographical Segments

Although the consolidated entity divisions are managed on a global basis they operate in two main geographical areas:

Australia

The home country of the parent entity which is also the main operating entity. The areas of operation are in sectors of investments, stockbroking, sourcing and communications services.

Hong Kong

The major operations are carried out in Hong Kong.

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

B. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

Segment Reporting

The Company has two reportable segments. The business is organised based on investment, Stockbroking & Telecom. The following summary describes the operations in each of the Company's reportable segments.

Investments are investment in marketable securities.

Stockbroking is provision of share trading services to clients.

Provision of telecom services to clients.

Corporate advisory is provision of corporate restructuring and related services to clients.

Reportable segments consist of the aggregation of a number of operating segments in accordance with AASB 8 Operating Segments.

Information regarding the operations of each reportable segment is included below in the manner reported to the chief operating decision maker as defined in AASB 8. Performance is measured based on segment earnings before interest and tax (EBIT). Inter-segment transactions are not recorded as revenue. Instead a cost allocation relating to the transactions is made based on negotiated rates.

In thousands of HKD	Investment		Stockbroking		Telecom		Corporate Advisory		Economic Entity	
	2013 HKD\$ 000	2012 HKD\$ 000	2013 HKD\$ 000	2012 HKD\$ 000	2013 HKD\$ 000	2012 HKD\$ 000	2013 HKD\$ 000	2012 HKD\$ 000	2013 HKD\$ 000	2012 HKD\$ 000
External revenue	100,589	280,885	6,464	4,841	33,784	32,025	1,388	-	142,225	317,751
Depreciation and amortisation	43	76	42	31	41	43	-	-	126	150
Reportable segment (losses) before tax	(41,790)	(3,072)	5	(1,918)	64	63	287	-	(41,434)	(4,928)
Reportable segment assets	132,571	173,366	38,841	26,842	1,441	909	17,941	18,065	190,795	219,182
Capital expenditure	-	-	-	56	489	-	59	-	548	56
Share of net profits /(losses) of equity accounted associates and joint venture entities	-	1,420	-	-	-	-	-	-	-	1,420

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

B. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

Primary Reporting — Business Segments (Cont'd)

In thousands of HKD	<u>2013</u> HKD\$000	<u>2012</u> HKD\$000
Reconciliation of reportable segment profit, assets and other material items		
Loss		
Total losses for reportable segments	(41,434)	(4,928)
Unallocated amounts – other corporate expenses	-	-
Loss before income tax	<u>(41,434)</u>	<u>(4,928)</u>
Assets		
Total assets for reportable segments	190,795	219,182
Other unallocated amounts	-	-
Total assets	<u>190,795</u>	<u>219,182</u>
Capital Expenditure		
Capital expenditure – reportable segments	-	56
Other unallocated amounts	-	-
Total	<u>-</u>	<u>56</u>
Other material items		
Share of net profits of equity accounted associates and joint venture entities	-	1,420
Other unallocated amounts	-	-
Total assets	<u>-</u>	<u>1,420</u>

Secondary Reporting — Geographical Segments

The Company operates predominately in Hong Kong.

	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non- current Segment	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Geographical location:						
Australia	31,126	27,677	118,490	162,201	-	-
Hong Kong	111,099	290,074	72,305	56,981	-	-
	<u>142,225</u>	<u>317,751</u>	<u>190,795</u>	<u>219,182</u>	<u>-</u>	<u>-</u>

14. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

C: IMPAIRMENT OF INVESTMENT

The Directors have not obtained sufficient appropriate evidence for this review of the recoverable amount of the investment in Dalian JiXiang Food Co., Ltd (DJFL) which has the same resulting effect on the company's investment in Quest Marine Resources Limited – the parent company of DJFL – an associate company of Murchison Holdings Limited.

Accordingly, we are uncertain whether the recoverable amount of that asset is at least equal to its carrying value. Adopting a conservative approach to this matter the Directors have elected to impair the asset to a nominal amount. In the event that circumstances change and sufficient appropriate evidence of the recoverable amount is obtained then the carrying value of Investments Accounted for Using the Equity Method will be adjusted to reflect that value.

	2013 HKD\$000	2012 HKD\$000
Investment in associate company	34,569	34,569
Less: Impairment	(31,170)	-
	<u>3,399</u>	<u>34,569</u>

D: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

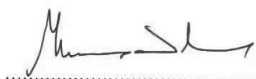
E: EVENTS SUBSEQUENT TO REPORT DATE

There has been no event subsequent to report date.

15. STATUS OF AUDIT

The information contained in this Appendix 4E is based upon accounts that are in the final process of being audited by the Company's auditors. There is not expected to be a dispute or qualification to the financial accounts.

By the order of the Board



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Wee Tiong CHIANG
Director
Date : 30th August, 2013