

MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260

Half Year Report Period ended on 31 December 2012

The following information must be given to ASX under listing rule 4.2A.3.

ABN or equivalent company reference	Half year ended: current period	previous corresponding period
52 004 707 260	31 December 2012	31 December 2011

Results for announcement to the market

			\$HK'000
2.1 Revenues from ordinary activities	Down	67% to	57,992
2.2 Loss from ordinary activities after tax attributable to members	Up	1024% to	(36,570)
2.3 Loss profit for the period attributable to members	Up	1024% to	(36,570)
2.4 Dividends (distributions)			
	Amount per security	Franked amount per security	
Final dividend	NIL	NIL	
Interim dividend	NIL	NIL	
Previous corresponding period	NIL	NIL	
2.5 Record date for determining entitlements to the dividend	NIL		
2.6 Brief explanation of any of the figures in 2.1 to 2.4	Refer to directors' report		

3. Net tangible assets per security with the comparative figure for the previous corresponding period.

	Current period	Previous corresponding Period
Net tangible assets per security	744 cents	921 cents

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4. Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity.

NIL

4.2 The date of the gain or loss of control.

NIL

4.3 Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.

Current period	Previous corresponding Period
NIL	NIL

5. Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.

Dividend or distribution payments:	Amount	Date on which each dividend or distribution is payable	Amount per security of foreign sourced dividend or distribution (if known)
NIL			
Total			

6. Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

NIL

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7. Details of associates and joint venture entities including the name of the associate 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 profit 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		Contribution to net profit	
		Current period \$	Previous corresponding Period \$	Current period \$	Previous corresponding Period \$
Meredeen Investments Limited	39.20%	NIL	NIL	NIL	NIL
Quest Securities Limited	15.38%	NIL	NIL	NIL	NIL
Quest Marine Resources Ltd	43.37%	NIL	777,875	NIL	777,875

8. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards).

NIL

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DIRECTORS' REPORT

Your directors submit the financial report of the Consolidated Group for the half-year ended 31 December 2012.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Wee Tiong CHIANG

Mr. Grant Anthony ROBERTSON

Dr Kim Chan KOH

Mr. Hung Ngok WONG

Review of Operations

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\$36,570,000 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 4 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.

Rounding of Amounts

The Consolidated Group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

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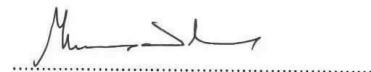
DIRECTORS' REPORT

Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 6 for the half year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.

Director



Wee Tiong CHIANG

Dated this 3rd March 2013

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF MURCHISON HOLDINGS LIMITED

As lead auditor of the review of Murchison Holdings Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contravention of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Murchison Holdings Limited and the entities it controlled during the period.

ShineWing Hall Chadwick

ShineWing Hall Chadwick

M. J. Schofield

M J Schofield
Partner

3rd March 2013

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31 Dec 2012	31 Dec 2011
	HK\$000	HK\$000
Revenue	57,992	173,198
Cost of sales	(56,355)	(171,745)
Gross Profit	1,637	1,453
Other income	1,490	3,237
Employee benefits expense	(4,651)	(4,397)
Depreciation	(38)	(37)
Finance costs	(100)	(483)
Other operating expenses	(3,738)	(3,804)
Share of operating net profits of associates	-	778
Impairment of investment	(31,170)	-
(Loss)/ profit before income tax expenses	(36,570)	(3,253)
Income tax expenses	-	-
(Loss)/ profit for the period	(36,570)	(3,253)
Other comprehensive income	-	-
Other comprehensive income for the period, net income tax	-	-
Total comprehensive income for the period	(36,570)	(3,253)
Loss attributable to :		
Owners of the company	(36,035)	(1,979)
Non-controlling interest	(535)	(1,274)
Loss for the period	(36,570)	(3,253)
Total comprehensive income attributable to:		
Owners of the company	(36,035)	(1,979)
Non-controlling interest	(535)	(1,274)
Total comprehensive income for the period	(36,570)	(3,253)
Overall Operations:		
Basic losses/ earnings per share (cents per share)	(180.94)	(9.83)
Diluted losses/ earnings per share (cents per share)	(180.94)	(9.83)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		Consolidated Group	
	Note	31 Dec 2012	30 Jun 2012
		HK\$000	HK\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,338	3,072
Trade and other receivables		60,585	62,467
Financial assets		12,758	14,288
Other current assets		32	48
TOTAL CURRENT ASSETS		75,713	79,875
NON-CURRENT ASSETS			
Trade and other receivables		52,033	51,944
Investments accounted for using the equity method	(4)	5,882	34,569
Other financial assets		52,260	51,786
Plant and equipment		210	248
Other non-current assets		760	760
TOTAL NON-CURRENT ASSETS		111,145	139,307
TOTAL ASSETS		186,858	219,182
CURRENT LIABILITIES			
Trade and other payables		33,731	33,059
Borrowings		2,382	1,559
TOTAL CURRENT LIABILITIES		36,113	34,618
TOTAL LIABILITIES		36,113	34,618
NET ASSETS		150,745	184,564
EQUITY			
Issued capital		138,820	138,604
Reserves		15,616	14,252
(Accumulated losses) / Retained profits		(35,464)	1,467
Parent interest		118,972	154,323
Non-controlling interest		31,773	30,241
TOTAL EQUITY		150,745	184,564

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	HK\$000	HK\$000		HK\$000		HK\$000	HK\$000
	Share Capital	(Accumulated Losses) / Retained Earnings	Capital Profits	Share Options	Foreign Currency Translation	Non- Controlling Interests	Total
Note	Ordinary						
Balance at 1 July 2012	138,604	1,467	1,666	2,787	9,799	30,241	184,564
Total comprehensive income for the period							
Loss for the period	-	(36,035)	-	-	-	(535)	(36,570)
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(36,035)	-	-	-	(535)	(36,570)
Change in non-controlling interest		(680)				680	-
Transactions with owners, recorded directly in equity							
Share issue during the period (5)	216	(216)	-	-	-	-	-
Changes of minority interest	-	-	-	-	-	1,387	1,387
Share options exercised	-	-	-	(50)	-	-	(50)
Share options expenses	-	-	-	1,414	-	-	1,414
Total transaction with owners	216	(216)	-	1,364	-	-	2,200
Balance at 31 December 2012	138,820	(35,464)	1,666	4,151	9,799	31,773	150,745

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	HK\$000	HK\$000	HK\$000			HK\$000	HK\$000
	Share Capital		Reserves				
Note	Ordinary	Retained Earnings	Capital Profits	Share Options	Foreign Currency Translation	Non- Controlling Interests	Total
Balance at 1 July 2011	138,486	5,316	1,666	2,486	9,799	31,792	189,545
Total comprehensive income for the period							
Loss for the period	-	(1,979)	-	-	-	(1,274)	(3,253)
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive income for the period	-	(1,979)	-	-	-	(1,274)	(3,253)
Change in non-controlling interest		38				(38)	-
Transactions with owners, recorded directly in equity							
Dividends paid by parent entity	-	(184)	-	-	-	-	(184)
Share issue during the period	239	(239)	-	-	-	-	-
Share bought back during the period	(56)	(21)	-	-	-	-	(77)
Share options expenses	-	-	-	221	-	-	221
Total transaction with owners	183	(444)	-	221	-	-	(40)
Balance at 31 December 2011	138,669	2,931	1,666	2,707	9,799	30,480	186,252

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31 Dec 2012	31 Dec 2011
	HK\$000	HK\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	64,333	177,135
Payments to suppliers and employees	(65,962)	(178,638)
Interest received	202	229
Interest paid	(100)	(483)
Dividend received	36	26
Net cash used in operating activities	<u>(1,491)</u>	<u>(1,731)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment to related companies	(66)	-
Payment for property, plant and equipment	-	(29)
Net cash used in investing activities	<u>(66)</u>	<u>(29)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	-	(184)
Proceeds from issue of share	-	-
Share buy back	-	(77)
Net cash (used in) / provided by financing activities	<u>-</u>	<u>(261)</u>
Net decrease in cash held	(1,557)	(2,021)
Cash at the beginning of period	1,513	3,637
Effects of exchange rate changes on cash holdings in foreign currencies	-	-
Cash at the end of period	<u>(44)</u>	<u>1,616</u>
Analysis of the balance of cash and cash equivalents		
Cash and cash equivalents in the statement of financial position:		
Cash and bank balances	2,338	10,144
Borrowings (Bank overdraft)	(2,382)	(8,528)
	<u>(44)</u>	<u>1,616</u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Murchison Holdings Limited (“the Parent Entity”) and its controlled entities (“the Consolidated Group” or “the Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Consolidated Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2012 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The Group has adopted all new and revised Australian Accounting Standards and Interpretations that became effective for the first time and are relevant to the Group, including:

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income which requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently, and changes the title of ‘statement of comprehensive income’ to ‘statement of profit or loss and other comprehensive income’.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT - CONTINUED

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period – Continued

- The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in the title of 'statement of comprehensive income' being changed to 'statement of profit or loss and other comprehensive income'.

These half-year financial statements were approved by the Board of Directors on 3 March 2013.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 2: (LOSS)/ PROFIT FOR THE PERIOD

Consolidated Group
31 Dec 2012 31 Dec 2011
HK\$000 HK\$000

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Interest income	202	550
Exchange (loss)/ gain	35	(287)
Management fee income	34	53
	<u>271</u>	<u>316</u>

NOTE 3 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Sourcing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000	HK\$000
Sales to customers outside the consolidated entity	42,679	159,942	1,781	2,380	13,532	10,876	-	-	57,992	173,198
Other Revenue	1,171	2,965	319	251	-	21	-	-	1,490	3,237
Total segment revenue	<u>43,850</u>	<u>162,907</u>	<u>2,100</u>	<u>2,631</u>	<u>13,532</u>	<u>10,897</u>	<u>-</u>	<u>-</u>	<u>59,482</u>	<u>176,435</u>
Unallocated revenue	-	778	-	-	-	-	-	-	-	778
Total revenue from continuing operations	<u>43,850</u>	<u>163,685</u>	<u>2,100</u>	<u>2,631</u>	<u>13,532</u>	<u>10,897</u>	<u>-</u>	<u>-</u>	<u>59,482</u>	<u>177,213</u>
Segment result	<u>(36,265)</u>	<u>(2,364)</u>	<u>(350)</u>	<u>(1,013)</u>	<u>45</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>(36,570)</u>	<u>(3,253)</u>
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit before income tax	<u>(36,265)</u>	<u>(2,364)</u>	<u>(350)</u>	<u>(1,013)</u>	<u>45</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>(36,570)</u>	<u>(3,253)</u>
Income tax expense	-	-	-	-	-	-	-	-	-	-
(Loss)/ profit after income tax	<u>(36,265)</u>	<u>(2,364)</u>	<u>(350)</u>	<u>(1,013)</u>	<u>45</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>(36,570)</u>	<u>(3,253)</u>
Segment Assets	134,805	171,829	33,701	33,185	950	945	17,402	18,420	186,858	224,379

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

NOTE 4: 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.

	2012 HK\$000	2011 HK\$000
Investment in associated company	37,052	34,569
Less: Impairment	(31,170)	-
	<u>5,882</u>	<u>34,569</u>

NOTE 5: SHARE ISSUED DURING THE PERIOD

Shares issued during the period relates to dividends declared by the Company in December 2010 pursuant to the Murchison Holdings Limited Dividend Reinvestment Plan.

NOTE 6: CONTINGENT LIABILITIES

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

NOTE 7 : EVENTS SUBSEQUENT TO REPORT DATE

There has been no event subsequent to report date.

MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

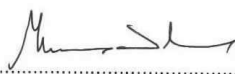
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 7 to 15:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the Consolidated Group's financial position as at 31 December 2012 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
.....
Wee Tiong CHIANG

Dated this 3rd March 2013



**ShineWing
Hall Chadwick
Pty Ltd**

Corporate Advisors &
Certified Practising Accountants
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MURCHISON HOLDINGS LIMITED

Report on the Half Year Financial Report

We have reviewed the accompanying half year financial report of Murchison Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Murchison Holdings Limited (the consolidated entity) comprising both Murchison Holdings Limited (the company) and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Murchison Holdings Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Murchison Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001.

ShineWing Hall Chadwick

ShineWing Hall Chadwick

M. J. Schofield

M J Schofield

Melbourne
3rd March 2013