



MURCHISON HOLDINGS LIMITED

ACN 004 707 260

**The Manager  
Company Announcement Office  
The Australian Stock Exchange Limited**

**20 April 2009**

**Collaboration Agreement for the Establishment and Development of a Sea Cucumber Project in Panjin City, Liaoning Province, People's Republic of China**

1. Murchison Holdings Limited ("MCH") is pleased to announce that it has recently signed a Collaboration Agreement with the Oceanic and Fishery Bureau ("OFB") of Panjin City, Liaoning Province, People's Republic of China ("PRC") for the establishment and development of a sea cucumber project in Panjin City.
2. Sea cucumber is a traditional Chinese delicacy commanding high prices in the PRC, Hong Kong, Japan, Korea and South East Asia.
3. The project requires MCH to construct the sea ponds and processing plant on land fronting Liaodong Bay procured for MCH by OFB.
4. The agreement between MCH and OFB provides, inter alia, that:
  - 4.1 OFB shall be responsible for procuring the land and the water rights for the project for the use and enjoyment of MCH;
  - 4.2 OFB shall be responsible for procuring support and preferential policies in favour of MCH from all relevant responsible authorities;
  - 4.3 OFB shall monitor implementation of MCH's business plan;
  - 4.4 OFB shall provide information and technical support in all aspect of the project including company registration, geographic exploration, industrial planning, construction engineering, hydrological monitoring and aquaculture production;

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- 4.5 MCH shall complete construction of the ponds and processing plant during the year ending 31 December 2009; and
  - 4.6 The agreement is subject to due diligence and formal agreements being executed by the parties.
5. Panjin is a prefecture-level city with a population of over 1.2 million people. The main industries in Panjin include oil, petroleum refinery, tourism, and agriculture - primarily rice. Panjin is also famed for its Chinese mitten crabs and sea cucumber, two famous delicacies in Chinese cuisine.
  6. MCH made an announcement on 8 April 2009 in relation to an agreement made between Quest Investments Limited's subsidiary - Quest Marine Resources Limited ("QMR") - and Mr Qu Rong in which QMR agreed to purchase all of the issued shares in Dalian JiXiang Food Co., Ltd – an existing seafood processing business in Dalian, PRC - in exchange for the issue of 49.9% of the issued shares to Mr Qu Rong in QMR. Quest Investments Limited (ASX Code: QST) is a subsidiary of MCH.
  7. MCH envisages being the property-arm of the seafood business activities of the MCH Group whilst QST through QMR will be the operating arm of the seafood activities. It is planned that the MCH Group will on execution of these agreements be a fully integrated global seafood company with:
    - 7.1 land and water rights held in MCH; and
    - 7.2 operating and processing activities held in QST by QMR from QMR's acquisition of Dalian JiXiang Food Co., Ltd including 2 manufacturing plants and 5 cold storage facilities.

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8. The MCH Group plans to:
  - 8.1 build facilities for hatcheries and ponds on the land procured on its behalf by OFB; and
  - 8.2 lease all of the same to QMR; or
  - 8.3 lease part of the same to QMR and sell and/or lease the balance to farmers (real estate dimension); and
  - 8.4 the sea food product from the ponds of QMR and third party farmers would then be processed in QMR's processing plant, packaged and distributed to wholesalers.
  
9. The Directors of MCH are of the view that the above agreements will pave the way forward for the Group to tap into the large and emerging consumer food markets in Hong Kong and in the PRC. Given the recently announced policy emphasis of the PRC central government on expanding the disposable income of the rural population in the agricultural sector, and the need to exploit PRC's hitherto untapped and vast marine resources, MCH is confident that the prospects of the food industry in the PRC are very promising.
  
10. The agreement with OFB represents a significant enhancement to the Group's growing marine resource investment. As alluded in our past announcements, the Group has placed emphasis on being an Australia-China centric group. This agreement hopefully will position the Group as an important player in the emerging food market of the PRC.

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**11. About MCH**

MCH is an Australian company with investment banking, telecommunication and seafood businesses in the Asia-Pacific region. QST is a member of the Murchison Holdings Group of companies. QST's stockbroking subsidiary owns two trading rights in the Hong Kong Stock Exchange ("HKSE") and has been a member of the HKSE since 1992. QST has a licence from OFTA in Hong Kong to provide external telecom services in Hong Kong SAR. QST has also investments in the marine resource sector in Australia and the PRC as part of its "white protein" growth programme.

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**By order of the Board of Directors**

**Chiang Wee Tiong**

**Chairman**