

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260

## Half Year Report Period ending on 31 December 2010

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 2010	31 December 2009

### Results for announcement to the market

			\$HK'000
2.1 Revenues from ordinary activities	Up	471% to	261,895
2.2 Profit from ordinary activities after tax attributable to members	Down	73% to	1,165
2.3 Net profit for the period attributable to members	Down	73% to	1,165
<b>2.4 Dividends (distributions)</b>		<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend		Nil	Nil
Interim dividend			
Previous corresponding period		\$0.0195	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	901 cents	894 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.

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
\$	\$

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)
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 (losses)		Contribution to net profit	
		Current period \$	Previous corresponding Period \$	Current period \$	Previous corresponding Period \$
Meredeen Investments Limited	29.70	NIL	NIL	NIL	NIL
Quest Securities Limited	31.60	NIL	NIL	NIL	NIL
Quest Marine Resources Ltd	28.00	350,249	651,000	350,249	651,000

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

Not applicable

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2010.

### 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*** (appointed on 26 October 2010)

### Review of Operations

Murchison Holdings Limited and its controlled entities continued to earn its income from activities in the sectors of investments, stockbroking, nominees, settlement services, electronics businesses and information technology. Our focus has continued to be markets of South East Asia and Australia. The consolidated profits from continuing operations after providing for income tax and eliminating outside equity interests amount to HK\$1,165,822.

### Change in presentation currency

Murchison Holdings Limited has elected to change its presentation currency from Australian dollars to HK dollars. The directors believe that changing the presentation currency to HK dollars will enhance comparability with its industry peer group, a majority of which report in HK dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

To change the presentation currency, the assets and liabilities of entities with an Australian dollar functional currency at 30 June 2010 were converted into HK dollars at a fixed exchange rate on 1 July 2010 of AUD1:HKD6.634 and the contributed equity, reserves and retained earnings were converted at applicable historical rates. In order to derive HK dollar comparatives, the Australian dollar functional currency assets and liabilities at 30 June 2010 were converted at the spot rate of AUD1:HKD6.634 on the reporting date; revenue and expenses for the half-year ended 31 December 2010 were converted at the average exchange rate of AUD1:HKD7.3972 for the reporting period, or at the exchange rates ruling at the date of the transaction to the extent practicable, and equity balances were converted at applicable historical rates.

Earnings per share for 2010 has also been restated in HK dollars to reflect the change in the presentation currency.

### Rounding of Amounts

The economic entity 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.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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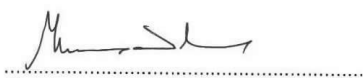
## DIRECTORS' REPORT

### 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 2010.

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

Director



Wee Tiong CHIANG

Dated this 1<sup>st</sup> March 2011

**Bentleys Melbourne Partnership**

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MURCHISON HOLDINGS LTD**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2010 there have been:

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

*Bentleys*

**BENTLEYS MELBOURNE PARTNERSHIP  
CHARTERED ACCOUNTANTS**

*G. Robertson*

**GORDON ROBERTSON  
PARTNER**

Dated in Melbourne on this 1<sup>st</sup> day of March 2011

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Economic Entity	
	31 Dec 2010	31 Dec 2009
	HK\$000	HK\$000
Revenue	261,895	45,875
Cost of sales	(252,278)	(32,139)
Gross Profit	9,617	13,736
Employee benefits expense	(4,455)	(3,763)
Depreciation	(33)	(29)
Finance costs	(214)	(231)
Other operating expenses	(4,100)	(6,092)
Share of operating net profits of associates	350	651
Profit before income tax expenses	1,165	4,272
Income tax expenses	-	-
Profit (Loss) for the period	1,165	4,272
<b>Other comprehensive income</b>		
Foreign currency translation differences	1,852	4,277
<b>Other comprehensive income for the period, net income tax</b>	1,852	4,277
<b>Total comprehensive income for the period</b>	3,017	8,549
<b>Profit attributable to :</b>		
Owners of the company	232	3,828
Non-controlling interest	933	444
<b>Profit for the period</b>	1,165	4,272
<b>Total comprehensive income attributable to:</b>		
Owners of the company	2,084	8,105
Non-controlling interest	933	444
<b>Total comprehensive income for the period</b>	3,017	8,549
<b>Overall Operations:</b>		
Basic earnings per share (cents per share)	1.15	18.97
Diluted earnings per share (cents per share)	1.14	8.37

The accompanying notes form part of these financial statements.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

	Economic Entity	
	31 Dec 2010	30 Jun 2010
	HK\$000	HK\$000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	4,790	5,617
Trade and other receivables	74,953	63,027
Financial assets	5,403	2,466
Other current assets	32	87
<b>TOTAL CURRENT ASSETS</b>	<b>85,178</b>	<b>71,197</b>
<b>NON-CURRENT ASSETS</b>		
Investments accounted for using the equity method	28,676	28,326
Financial assets	51,788	50,195
Plant and equipment	361	329
Trade and other receivables	50,550	54,066
Other non-current assets	760	760
<b>TOTAL NON-CURRENT ASSETS</b>	<b>132,135</b>	<b>133,676</b>
<b>TOTAL ASSETS</b>	<b>217,313</b>	<b>204,873</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	33,297	19,353
Financial liabilities	2,106	6,393
<b>TOTAL CURRENT LIABILITIES</b>	<b>35,403</b>	<b>25,746</b>
<b>TOTAL LIABILITIES</b>	<b>35,403</b>	<b>25,746</b>
<b>NET ASSETS</b>	<b>181,910</b>	<b>179,127</b>
<b>EQUITY</b>		
Issued capital	138,639	138,501
Reserves	10,762	8,910
Retained profits	1,462	1,602
Parent interest	150,863	149,013
Minority equity interest	31,047	30,114
<b>TOTAL EQUITY</b>	<b>181,910</b>	<b>179,127</b>

The accompanying notes form part of these financial statements.



# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	HK\$000	HK\$000	HK\$000			HK\$000	HK\$000
	Share Capital	Retained Profits	Reserves			Minority Equity Interests	Total
Note	Ordinary		Capital Profits	Share Options	Foreign currency Translation		
<b>Balance at 1 July 2010</b>	138,501	1,602	1,668	2,106	5,136	30,114	179,127
<b>Total comprehensive income for the period</b>							
Profit and loss	-	232	-	-	-	933	1,165
Foreign currency translation differences	-	-	-	-	1,852	-	1,852
Total comprehensive income for the period	-	232	-	-	1,852	933	3,017
<b>Transactions with owners, recorded directly in equity</b>							
Dividends paid by parent entity	-	(372)	-	-	-	-	(372)
Share issue during the period	208	-	-	-	-	-	208
Share buy back during the period	(70)	-	-	-	-	-	(70)
Total transaction with owners	138	(372)	-	-	-	-	(234)
<b>Balance at 31 December 2010</b>	138,639	1,462	1,668	2,106	6,988	31,047	181,910

The accompanying notes form part of these financial statements.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	HK\$000	HK\$000		HK\$000		HK\$000	HK\$000
	Share Capital		Reserves			Minority Equity Interests	
Note	Ordinary	Accumulated losses	Capital Profits	Share option	Foreign currency Transaction		Total
<b>Balance at 1 July 2009</b>	138,720	(4,222)	1,668	3,484	(1,468)	33,962	172,144
<b>Total comprehensive income for the period</b>							
Profit and loss	-	3,828	-	-	-	444	4,272
Foreign currency translation differences	-	-	-	-	4,277	-	4,277
<b>Total comprehensive income for the period</b>	-	3,828	-	-	4,277	444	8,549
<b>Transactions with owners, recorded directly in equity</b>							
Share issue during the period	-	-	-	-	-	-	-
Share buy back during the period	(111)	-	-	-	-	-	(111)
<b>Total transaction with owners</b>	(111)	-	-	-	-	-	(111)
<b>Balance at 31 December 2009</b>	138,609	(394)	1,668	3,484	2,809	34,406	180,582

The accompanying notes form part of these financial statements.

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## CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Economic Entity	
	31 Dec 2010 HK\$000	31 Dec 2009 HK\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	258,892	39,814
Payments to suppliers and employees	(252,570)	(41,093)
Interest received	228	199
Interest paid	(214)	(231)
Dividend received	6	10
Net cash provided by (used in) operating activities	6,342	(1,301)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan from / (Payment) to related companies	(3,516)	3,737
Proceeds from (Payment for) property, plant and equipment	(65)	2
Net cash provided by (used in) investing activities	(3,581)	3,739
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of dividend	(372)	-
Proceeds from issue of share	138	-
Share buy back	-	(111)
Net cash provided by (used in) financing activities	(234)	(111)
Net increase (decrease) in cash held	2,527	2,327
Cash at the beginning of period	(776)	(4,984)
Effects of exchange rate changes on cash holdings in foreign currencies	933	540
Cash at the end of period	2,684	(2,117)

The accompanying notes form part of these financial statements.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

### NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

#### **Basis of Preparation**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 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.

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 2010, together with any public announcements made during the half-year.

#### **Change in presentation currency**

Murchison Holdings Limited has elected to change its presentation currency from Australian dollars to HK dollars. The directors believe that changing the presentation currency to HK dollars will enhance comparability with its industry peer group, a majority of which report in HK dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

To change the presentation currency, the assets and liabilities of entities with an Australian dollar functional currency at 30 June 2010 were converted into HK dollars at a fixed exchange rate on 1 July 2010 of AUD1:HKD6.634 and the contributed equity, reserves and retained earnings were converted at applicable historical rates. In order to derive HK dollar comparatives, the Australian dollar functional currency assets and liabilities at 30 June 2010 were converted at the spot rate of AUD1:HKD6.634 on the reporting date; revenue and expenses for the half-year ended 31 December 2010 were converted at the average exchange rate of AUD1:HKD7.3972 for the reporting period, or at the exchange rates ruling at the date of the transaction to the extent practicable, and equity balances were converted at applicable historical rates.

Earnings per share for 2010 has also been restated in HK dollars to reflect the change in the presentation currency.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

### NOTE 2: PROFIT FOR THE PERIOD

Economic Entity  
31 Dec 2010 31 Dec 2009  
HK\$000 HK\$000

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

Interest income	228	546
Exchange gain	801	2,858
Management fee income	67	69
	<u>1,096</u>	<u>3,473</u>

### NOTE 3 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Sourcing		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	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	254,420	32,513	4,361	3,393	-	-	-	-	258,781	35,906
Other Revenue	1,065	9,362	2,049	607	-	-	-	-	3,114	9,969
<b>Total segment revenue</b>	<b>255,485</b>	<b>41,875</b>	<b>6,410</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,895</b>	<b>45,875</b>
Unallocated revenue	-	-	-	-	-	-	-	-	-	-
<b>Total revenue from continuing operations</b>	<b>255,485</b>	<b>41,875</b>	<b>6,410</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>261,895</b>	<b>45,875</b>
<b>Segment result</b>	<b>(1,670)</b>	<b>2,873</b>	<b>2,835</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,165</b>	<b>4,272</b>
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
<b>Profit / (Loss) before income tax</b>	<b>(1,670)</b>	<b>2,873</b>	<b>2,835</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,165</b>	<b>4,272</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Profit / (loss) after income tax</b>	<b>(1,670)</b>	<b>2,873</b>	<b>2,835</b>	<b>1,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,165</b>	<b>4,272</b>
<b>Segment Assets</b>	<b>159,174</b>	<b>142,818</b>	<b>57,338</b>	<b>61,212</b>	<b>801</b>	<b>843</b>	<b>-</b>	<b>-</b>	<b>217,313</b>	<b>204,873</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**NOTE 4: CONTINGENT LIABILITIES**

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

**NOTE 5 : EVENTS SUBSEQUENT TO REPORT DATE**

There has been no event subsequent to report date.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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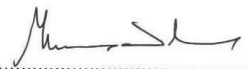
## **DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on page 6 to 14:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2010 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

1<sup>st</sup> March 2011



## **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 and controlled entities, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and 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.

### **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 Australian Accounting Standards and the *Corporations Act 2001* and for such control 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.

### **Auditor's 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 company's financial position as 31 December 2010 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 controlled entities, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Murchison Holdings Limited and controlled entities on 1 March 2011, would be in the same terms if given to the directors at the time of this auditor's review report.




**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF MURCHISON HOLDINGS LIMITED (Continued)**

**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 and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**BENTLEYS MELBOURNE PARTNERSHIP  
CHARTERED ACCOUNTANTS**



**GORDON ROBERTSON  
PARTNER**

Dated in Melbourne on this 1<sup>st</sup> day of March 2011