

**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 2012.  
Comparative amount, unless otherwise indicated, are for the year ended 30 June 2011.

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	39%	to	310,693
Losses for ordinary activities after tax attributable to members	Down	255%	to	(3,500)
Losses for the year attributable to members	Down	255%	to	(3,500)
Dividends (distributions)	Please refer to Note 7.			

**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\$3,500,245.

### **3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

#### **FOR THE YEAR ENDED 30 JUNE 2012**

	<b>2012</b> <b>HKD\$000</b>	<b>2011</b> <b>HKD\$000</b>
Revenue	310,693	509,745
Cost of Sales	(307,989)	(503,046)
Gross Profit	2,704	6,699
Other Income	7,058	17,927
Employee Benefits expenses	(8,675)	(8,572)
Depreciation	(150)	(142)
Finance costs	(677)	(467)
Other operating expenses	(6,608)	(13,253)
Share of operating net profits of a associates	1,420	1,739
(Loss) / Profit before income tax expenses	(4,928)	3,931
Income tax expenses	-	-
(Loss) / Profit for the year	(4,928)	3,931
<b>Other comprehensive income</b>		
Foreign currency translation differences:	-	3,041
<b>Other comprehensive income for the year, net income tax</b>	-	3,041
<b>Total comprehensive income for the year</b>	(4,928)	6,972
<b>(Loss) / Profit attributable to :</b>		
Owners of the company	(3,500)	2,253
Non-controlling interest	(1,428)	1,678
<b>(Loss) / Profit for the year</b>	(4,928)	3,931
<b>Total comprehensive income / (loss) attributable to :</b>		
Owners of the company	(3,500)	5,294
Non-controlling interest	(1,428)	1,678
<b>Total comprehensive income for the year</b>	(4,928)	6,972
Basic earnings / (losses) per share (cents per share)	(17.36)	11.12
Diluted earnings / (losses) per share (cents per share)	(17.36)	10.56

The accompanying notes form part of these financial statements.

#### **4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

##### **AS AT 30 JUNE 2012**

	<u>2012</u> <u>HKD\$000</u>	<u>2011</u> <u>HKD\$000</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	3,072	6,680
Trade and other receivables	62,467	54,650
Financial assets	14,288	15,139
Other current assets	48	30
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<b>TOTAL CURRENT ASSETS</b>	<b>79,875</b>	<b>76,499</b>
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<b>NON-CURRENT ASSETS</b>		
Investment accounted for using the equity method	34,569	33,150
Financial assets	51,786	51,786
Plant and equipment	248	256
Trade and other receivables	51,944	53,872
Other non-current assets	760	760
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<b>TOTAL NON-CURRENT ASSETS</b>	<b>139,307</b>	<b>139,824</b>
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<b>TOTAL ASSETS</b>	<b>219,182</b>	<b>216,323</b>
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<b>CURRENT LIABILITIES</b>		
Trade and other payables	33,059	23,735
Financial liabilities	1,559	3,043
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<b>TOTAL CURRENT LIABILITIES</b>	<b>34,618</b>	<b>26,778</b>
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<b>NET ASSETS</b>	<b>184,564</b>	<b>189,545</b>
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<b>EQUITY</b>		
Issued capital	138,604	138,486
Reserves	14,252	13,951
Retained profits	1,467	5,316
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<b>Parent Interest</b>	<b>154,323</b>	<b>157,753</b>
Minority equity interest	30,241	31,792
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<b>TOTAL EQUITY</b>	<b>184,564</b>	<b>189,545</b>
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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 2012**

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

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

**FOR THE YEAR ENDED 30 JUNE 2011**

	HK\$000	HK\$000		HK\$000		HK\$000	HK\$000
	Ordinary Share			Reserve		Non- controlling interests	Total
Note		Accumulated Losses	Share Option	Capital Profits	Foreign Currency Translation		
<b>Balance at 1 July 2010</b>	138,501	3,063	2,110	1,666	6,758	30,114	182,212
<b>Total comprehensive income for the year</b>							
Profit for the year	-	2,253	-	-	-	1,678	3,931
Foreign currency translation differences	-	-	-	-	3,041	-	3,041
Total comprehensive income for the year	-	2,253	-	-	3,041	1,678	6,972
<b>Change in non- controlling interest</b>	-	-	-	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>							
Share issue during the year	208	-	-	-	-	-	208
Share bought back during the year	(223)	-	-	-	-	-	(223)
Share Options expense	-	-	376	-	-	-	376
Total transaction with owners	(15)	-	376	-	-	-	361
<b>Balance at 30 June 2011</b>	138,486	5,316	2,486	1,666	9,799	31,792	189,545

## **6. CONSOLIDATED STATEMENT OF CASH FLOWS**

### **FOR THE YEAR ENDED 30 JUNE 2012**

	<u>2012</u> <u>HKD\$000</u>	<u>2011</u> <u>HKD\$000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	319,477	545,270
Payments to suppliers and employees	(320,671)	(540,814)
Interest received	192	453
Interest and other costs of finance paid	(677)	(467)
Dividend received	51	55
Dividend payment	(239)	-
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<b>NET CASH (USED) / PROVIDED BY OPERATING ACTIVITIES</b>	<b>(1,867)</b>	<b>4,497</b>
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<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(142)	(71)
Proceeds from sale of fixed assets	-	-
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<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(142)</b>	<b>(71)</b>
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<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of related companies loan	(184)	-
Proceeds from issue of share	239	208
Share buy-back payment	(121)	(223)
Change in non-controlling interest	(49)	-
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<b>NET CASH (USED) / PROVIDED IN FINANCING ACTIVITIES</b>	<b>(115)</b>	<b>(15)</b>
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Net increase/ (decrease) in cash held	(2,124)	4,411
Cash at the beginning of financial year	3,637	(774)
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<b>CASH AT THE END OF FINANCIAL YEAR</b>	<b>1,513</b>	<b>3,637</b>
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<b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	3,072	6,680
Borrowings	(1,559)	(3,043)
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	<b>1,513</b>	<b>3,637</b>
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

## 7. ISSUED CAPITAL

### a. Movement in share capital

	2012 HKD\$000	2011 HKD\$000
44,778,024 (2010: 44,847,024) fully paid ordinary shares	<u>138,604</u>	<u>138,486</u>
Balance at 1 July 2011: 20,132,313 shares (1 July 2010: 20,139,514 shares)	138,486	138,501
Shares issued during the year: 111,648 shares (2011: 80,631 shares)	239	208
Shares buyback during the year: 5,705 shares (2011: 7,319 shares)	<u>(121)</u>	<u>(223)</u>
Balance at 30 June 2012: 20,192,620 shares (30 June 2011: 20,132,313 shares)	<u>138,604</u>	<u>138,486</u>

### 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 2012 and no dividends are presently proposed as being payable.

The Company does not operate a dividend re-investment plan.

## 9. CONSOLIDATED ACCUMULATED LOSSES

	2012 \$000	2011 \$000
Accumulated profits/(losses) at the beginning of the financial year	5,316	3,063
Change in non-controlling interest	74	-
Dividends paid by parent entity	(184)	-
Shares issued by reinvestment	(239)	-
Profit attributable to members of the parent entity	<u>(3,500)</u>	<u>2,253</u>
Retained earnings at the end of the year	<u>1,467</u>	<u>5,316</u>

## 10. NET TANGIBLE ASSETS PER SECURITY

	2012	2011
Net tangible assets per security	915 cents	941 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 20,161,896)

## 11. EARNINGS PER SHARE

	2012	2011
	Cents	Cents
Basic earnings / (losses) per share (a)	(17.36)	11.12
Diluted earnings / (losses) per share (b)	(17.36)	10.56
(a) Basic earnings / (losses) per share	\$000	\$000
Earnings used to calculate earnings per share	(3,500)	2,253
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings / (losses) per share	20,161,812	20,149,000
(b) Diluted earnings / (losses) per share		
Earnings used to calculate earnings per share	(3,500)	2,253
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings / (losses) per share	20,161,812	21,332,058

## 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	3,273,282	6,280,839	1,419,622	2,724,000

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

## **14. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2012**

### **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 2011 annual report, the December 2011 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 31 August 2012.

#### **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 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

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

### **2. STATEMENT OF OPERATIONS BY SEGMENTS**

#### **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 2011 annual report.

#### **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

#### **Sourcing**

Provision of third party sourcing 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.

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.

#### Primary Reporting — Business Segments

	Investment		Stockbroking		Sourcing		Telecom		Total	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000
In thousands of HKD										
External revenue	280,885	515,445	4,841	12,088	-	-	32,025	139	317,751	527,672
Depreciation and amortisation	76	78	31	16	-	-	43	48	150	142
Reportable segment profit before tax	(3,072)	(570)	(1,918)	4,444	-	-	63	57	(4,928)	3,931
Reportable segment assets	173,366	171,606	26,842	26,162	18,065	17,595	909	960	219,182	216,323
Capital expenditure	-	-	56	-	-	-	-	-	56	-
Share of net profits of equity accounted associates and joint venture entities	1,420	1,739	-	-	-	-	-	-	1,420	1,739

## 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>2012</u> <u>HKD\$000</u>	<u>2011</u> <u>HKD\$000</u>
Reconciliation of reportable segment profit, assets and other material items		
<b>Profit</b>		
Total profit for reportable segments	(4,928)	3,931
Unallocated amounts – other corporate expenses	-	-
<b>Profit before income tax</b>	<u>(4,928)</u>	<u>3,931</u>
<b>Assets</b>		
Total assets for reportable segments	219,182	216,323
Other unallocated amounts	-	-
<b>Total assets</b>	<u>219,182</u>	<u>216,323</u>
<b>Capital Expenditure</b>		
Capital expenditure – reportable segments	56	-
Other unallocated amounts	-	-
<b>Total</b>	<u>56</u>	<u>-</u>
<b>Other material items</b>		
Share of net profits of equity accounted associates and joint venture entities	1,420	1,739
Other unallocated amounts	-	-
<b>Total assets</b>	<u>1,420</u>	<u>1,739</u>

#### Secondary Reporting — Geographical Segments

The Company operates predominately in Hong Kong.

	<b>Segment Revenues for External Customers</b>		<b>Carrying Amount of Segment Assets</b>		<b>Acquisitions of Non- current Segment</b>	
	<b>2012 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2011 \$000</b>
Geographical location:						
<b>Australia</b>	27,677	96,509	162,201	152,090	-	-
<b>Hong Kong</b>	290,074	431,163	56,981	37,455	-	-
	<u>317,751</u>	<u>527,672</u>	<u>219,182</u>	<u>189,545</u>	-	-

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

##### **C: CONTINGENT LIABILITIES**

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

##### **D: 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 : 31<sup>st</sup> August, 2012