

## 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 2014. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2013.

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                    | 50% | to | 69,495    |
| Loss for ordinary activities after tax attributable to members | Down                    | 81% | to | (7,760)   |
| Loss for the year attributable to members                      | Down                    | 81% | to | (7,760)   |
| 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.

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

**FOR THE YEAR ENDED 30 JUNE 2014**

|  | <b>2014</b><br><b>HKD\$000</b> | <b>2013</b><br><b>HKD\$000</b> |
|--|--------------------------------|--------------------------------|
| Revenue  | 69,495                         | 139,241                        |
| Cost of Sales  | (68,968)                       | (133,844)                      |
| Gross Profit   | 527                            | 5,397                          |
| Other Income   | 6,214                          | 2,984                          |
| Employee Benefits expenses                                     | (7,834)                        | (9,291)                        |
| Depreciation   | (179)                          | (126)                          |
| Finance costs  | (462)                          | (329)                          |
| Other operating expenses                                       | (7,601)                        | (8,899)                        |
| Impairment of Investment                                       | -                              | (31,170)                       |
| Loss before income tax expenses                                | (9,335)                        | (41,434)                       |
| Income tax expenses  | (90)                           | (86)                           |
| Loss for the year  | (9,425)                        | (41,520)                       |
| <b>Other comprehensive income</b>                              |                                |                                |
| Foreign currency translation differences:                      | (94)                           | -                              |
| <b>Other comprehensive income for the year, net income tax</b> | -                              | -                              |
| <b>Total comprehensive (loss) for the year</b>                 | (9,519)                        | (41,520)                       |
| <b>Loss attributable to :</b>                                  |                                |                                |
| Owners of the company  | (7,760)                        | (40,488)                       |
| Non-controlling interest                                       | (1,759)                        | (1,032)                        |
| <b>Loss for the year</b>                                       | (9,519)                        | (41,520)                       |
| <b>Total comprehensive income attributable to :</b>            |                                |                                |
| Owners of the company  | (7,760)                        | (40,488)                       |
| Non-controlling interest                                       | (1,759)                        | (1,032)                        |
| <b>Total comprehensive (loss) for the year</b>                 | (9,519)                        | (41,520)                       |
| Earning per share  |                                |                                |
| Basic losses per share (cents per share)                       | (37.46)                        | (200.05)                       |
| Diluted losses per share (cents per share)                     | (37.46)                        | (200.05)                       |

The accompanying notes form part of these financial statements.

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

##### **AS AT 30 JUNE 2014**

|  | <u>2014</u><br>HKD\$000 | <u>2013</u><br>HKD\$000 |
|--|-------------------------|-------------------------|
| <b>ASSETS</b>                                    |                         |                         |
| <b>CURRENT ASSETS</b>                            |                         |                         |
| Cash and cash equivalents                        | 2,540                   | 3,027                   |
| Trade and other receivables                      | 69,274                  | 62,548                  |
| Financial assets                                 | 1,541                   | 16,442                  |
| Other current assets                             | 96                      | 39                      |
| <b>TOTAL CURRENT ASSETS</b>                      | <b>73,451</b>           | <b>82,056</b>           |
| <b>NON-CURRENT ASSETS</b>                        |                         |                         |
| Investment accounted for using the equity method | 3,399                   | 3,399                   |
| Financial assets                                 | 51,786                  | 51,786                  |
| Plant and equipment                              | 500                     | 671                     |
| Trade and other receivables                      | 52,225                  | 52,123                  |
| Other non-current assets                         | 760                     | 760                     |
| <b>TOTAL NON-CURRENT ASSETS</b>                  | <b>108,670</b>          | <b>108,739</b>          |
| <b>TOTAL ASSETS</b>                              | <b>182,121</b>          | <b>190,795</b>          |
| <b>CURRENT LIABILITIES</b>                       |                         |                         |
| Trade and other payables                         | 39,302                  | 41,552                  |
| Financial liabilities                            | 3,671                   | 3,377                   |
| Taxation   | 90                      | 86                      |
| <b>TOTAL CURRENT LIABILITIES</b>                 | <b>43,063</b>           | <b>45,015</b>           |
| <b>NET ASSETS</b>                                | <b>139,058</b>          | <b>145,780</b>          |
| <b>EQUITY</b>                                    |                         |                         |
| Issued capital                                   | 139,776                 | 138,813                 |
| Reserves   | 15,123                  | 15,616                  |
| Accumulated losses                               | (47,687)                | (42,616)                |
| <b>Parent Interest</b>                           | <b>107,212</b>          | <b>111,813</b>          |
| Non-controlling interest                         | 31,846                  | 33,967                  |
| <b>TOTAL EQUITY</b>                              | <b>139,058</b>          | <b>145,780</b>          |

The accompanying notes form part of these financial statements.

## **5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

### **FOR THE YEAR ENDED 30 JUNE 2014**

| Note   | HK\$000  | HK\$000                            | HK\$000         |                    |                                    | HK\$000                  | HK\$000 |
|--|----------|------------------------------------|-----------------|--------------------|------------------------------------|--------------------------|---------|
|  | Ordinary | Accumulated                        | Reserve         |                    |                                    | Non-                     | Total   |
|  | Share    | (Losses) /<br>Retained<br>Earnings | Share<br>Option | Capital<br>Profits | Foreign<br>Currency<br>Translation | controlling<br>interests |         |
| <b>Balance at 30 June 2013</b>                               | 138,813  | (42,616)                           | 4,151           | 1,666              | 9,799                              | 33,967                   | 145,780 |
| <b>Total comprehensive income for the year</b>               |          |                                    |                 |                    |                                    |                          |         |
| Loss for the year  | -        | (7,760)                            | -               | -                  | -                                  | (1,759)                  | (9,519) |
| Foreign currency translation differences                     | -        | -                                  | -               | -                  | 94                                 | -                        | 94      |
| Total comprehensive (loss) for the year                      | -        | (7,760)                            | -               | -                  | 94                                 | (1,759)                  | (9,425) |
| <b>Change in non-controlling interest</b>                    | -        | 2,689                              | (781)           | -                  | -                                  | (388)                    | 1,520   |
| <b>Reinvestment</b>  | -        | -                                  | -               | -                  | -                                  | -                        | -       |
| <b>Transactions with owners, recorded directly in equity</b> |          |                                    |                 |                    |                                    |                          |         |
| Share issue during the year                                  | 761      | -                                  | -               | -                  | -                                  | -                        | 761     |
| Share bought back during the year                            | -        | -                                  | -               | -                  | -                                  | -                        | -       |
| Share Options exercised                                      | 202      | -                                  | (446)           | 1                  | -                                  | -                        | (243)   |
| Share Options granted  | -        | -                                  | 665             | -                  | -                                  | -                        | 665     |
| Change of non-controlling interest                           | -        | -                                  | (26)            | -                  | -                                  | 26                       | -       |
| Total transaction with owners                                | 963      | -                                  | 193             | 1                  | -                                  | 26                       | 1,183   |
| <b>Balance at 30 June 2014</b>                               | 139,776  | (47,687)                           | 3,563           | 1,667              | 9,893                              | 31,846                   | 139,058 |

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

**FOR THE YEAR ENDED 30 JUNE 2014**

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

**6. CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 JUNE 2014**

|   | <u>2014</u><br>HKD\$000 | <u>2013</u><br>HKD\$000 |
|---|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |                         |                         |
| Receipts from customers                                     | 83,800                  | 154,870                 |
| Payments to suppliers and employees                         | (86,937)                | (156,242)               |
| Interest received   | 17                      | 394                     |
| Interest and other costs of finance paid                    | (462)                   | (329)                   |
| Dividend received   | 68                      | 58                      |
| Dividend payment  | -                       | (216)                   |
|   | <hr/>                   | <hr/>                   |
| <b>NET CASH (USED) IN OPERATING ACTIVITIES</b>              | <b>(3,514)</b>          | <b>(1,465)</b>          |
|   | <hr/>                   | <hr/>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                         |                         |
| Purchase of fixed assets                                    | (8)                     | (548)                   |
|   | <hr/>                   | <hr/>                   |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                | <b>(8)</b>              | <b>(548)</b>            |
|   | <hr/>                   | <hr/>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                         |                         |
| Repayment of related companies loan                         | (103)                   | (59)                    |
| Proceeds from issue of share                                | 761                     | 216                     |
| Share buy-back payment                                      | -                       | (7)                     |
| Share options exercise                                      | (244)                   | -                       |
| Change in non-controlling interest                          | 2,327                   | -                       |
|   | <hr/>                   | <hr/>                   |
| <b>NET CASH PROVIDED IN FINANCING ACTIVITIES</b>            | <b>2,741</b>            | <b>150</b>              |
|   | <hr/>                   | <hr/>                   |
| Net decrease in cash held                                   | (781)                   | (1,863)                 |
| Cash at the beginning of financial year                     | (350)                   | 1,513                   |
|   | <hr/>                   | <hr/>                   |
| <b>CASH AT THE END OF FINANCIAL YEAR</b>                    | <b>(1,131)</b>          | <b>(350)</b>            |
|   | <hr/>                   | <hr/>                   |
| <b>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS</b> |                         |                         |
| Cash and bank balances                                      | 2,540                   | 3,027                   |
| Borrowings  | (3,671)                 | (3,377)                 |
|   | <hr/>                   | <hr/>                   |
|   | <b>(1,131)</b>          | <b>(350)</b>            |
|   | <hr/>                   | <hr/>                   |

The accompanying notes form part of these financial statements.

## 7. ISSUED CAPITAL

### a. Movement in share capital

|  | 2014<br>HKD\$000 | 2013<br>HKD\$000 |
|--|------------------|------------------|
| 21,409,043 (2013: 20,263,251) fully paid ordinary shares                         | <u>139,776</u>   | <u>138,813</u>   |
| Balance at 1 July 2013: 20,263,251 shares<br>(1 July 2012: 20,192,620 shares)    | 138,813          | 138,604          |
| Shares issued by placing during the year: 1,007,665<br>(2013: Nil)               | 761              | -                |
| Shares issued by options exercise during the year: 138,127 shares<br>(2013: Nil) | 202              | -                |
| Shares issued by reinvestment during the year: Nil<br>(2013: 80,631 shares)      | -                | 216              |
| Shares buyback during the year: Nil<br>(2013: 10,000 shares)                     | -                | <u>(7)</u>       |
| Balance at 30 June 2014: 21,409,043 shares<br>(30 June 2013: 20,263,251 shares)  | <u>139,776</u>   | <u>138,813</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 2014 and no dividends are presently proposed as being payable.

## 9. CONSOLIDATED ACCUMULATED LOSSES

|  | 2014<br>HKD\$000 | 2013<br>HKD\$000 |
|--|------------------|------------------|
| Retained earnings at the beginning of the financial year | (42,616)         | 1,467            |
| Change in non-controlling interest                       | 2,689            | (3,379)          |
| Shares issued by reinvestment                            | -                | (216)            |
| Losses attributable to members of the parent entity      | (7,760)          | (40,488)         |
| Accumulated losses at the end of the year                | <u>(47,687)</u>  | <u>(42,616)</u>  |

**10. NET TANGIBLE ASSETS PER SECURITY**

|                                  | 2014      | 2013      |
|----------------------------------|-----------|-----------|
| Net tangible assets per security | 650 cents | 719 cents |

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 21,409,043)

**11. EARNINGS PER SHARE**

|  | 2014       | 2013       |
|--|------------|------------|
|  | Cents      | Cents      |
| Basic losses per share (a)   | (37.46)    | (200.05)   |
| Diluted losses per share (b)   | (37.46)    | (200.05)   |
| (a) Basic losses per share   | \$000      | \$000      |
| Losses used to calculate losses per share  | (7,760)    | (40,488)   |
| Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share | 20,718,101 | 20,238,745 |
| (b) Diluted losses per share   |            |            |
| Losses used to calculate losses per share  | (7,760)    | (40,488)   |
| Weighted average number of ordinary shares used as the denominator in calculating Diluted losses per share | 20,718,101 | 20,238,745 |

**12. CHANGES IN CONTROL OVER GROUP ENTITIES**

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

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### 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       | -         | Nil                                | Nil                           | Nil                        | Nil                           |
| Meredeen Investment Limited    | -         | Nil                                | Nil                           | Nil                        | Nil                           |
| Quest Marine Resources Limited | 43.37     | Nil                                | Nil                           | Nil                        | Nil                           |

During the year, the equity interest in Quest Securities Limited and Meredeen Investment Limited were sold to a non related party of the group.

Since the entire investment in Quest Securities Limited and Meredeen Investment Limited has written off by the consolidated entity, no gain or loss have been recognised from the above two associate companies during the year.

Investment cost of Quest Marine Resources Limited was written off.

## 14. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014

### 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 2013 annual report, the December 2013 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 29<sup>th</sup> August 2014.

#### 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.

|  | Investment    |               | Stockbroking  |               | Telecom       |               | Corporate Advisory |               | Economic Entity |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|---------------|-----------------|---------------|
| In thousands of HKD  | 2014<br>HKD\$ | 2013<br>HKD\$ | 2014<br>HKD\$ | 2013<br>HKD\$ | 2014<br>HKD\$ | 2013<br>HKD\$ | 2014<br>HKD\$      | 2013<br>HKD\$ | 2014<br>HKD\$   | 2013<br>HKD\$ |
|  | 000           | 000           | 000           | 000           | 000           | 000           | 000                | 000           | 000             | 000           |
| External revenue   | 55,558        | 100,589       | 3,922         | 6,464         | 14,530        | 33,784        | 1,699              | 1,388         | 75,709          | 142,225       |
| Depreciation and amortisation  | 29            | 43            | 40            | 42            | 98            | 41            | 12                 | -             | 179             | 126           |
| Reportable segment (losses) before tax   | (7,684)       | (41,790)      | (1,544)       | 5             | (406)         | 64            | 299                | 287           | (9,335)         | (41,434)      |
| Reportable segment assets  | 144,215       | 132,571       | 35,312        | 38,841        | 411           | 1,441         | 2,183              | 17,942        | 182,121         | 190,795       |
| Capital expenditure  | -             | -             | -             | -             | -             | 489           | 8                  | 59            | 8               | 548           |
| Share of net profits /(losses) of equity accounted associates and joint venture entities | -             | -             | -             | -             | -             | -             | -                  | -             | -               | -             |

**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>2014</u><br><u>HKD\$000</u> | <u>2013</u><br><u>HKD\$000</u> |
|--|--------------------------------|--------------------------------|
| Reconciliation of reportable segment profit, assets and other material items   |                                |                                |
| <b>Loss</b>  |                                |                                |
| Total losses for reportable segments   | (9,335)                        | (41,434)                       |
| Unallocated amounts – other corporate expenses                                 | -                              | -                              |
| <b>Loss before income tax</b>  | <u>(9,335)</u>                 | <u>(41,434)</u>                |
| <b>Assets</b>  |                                |                                |
| Total assets for reportable segments   | 182,121                        | 190,795                        |
| Other unallocated amounts  | -                              | -                              |
| <b>Total assets</b>  | <u>182,121</u>                 | <u>190,795</u>                 |
| <b>Capital Expenditure</b>   |                                |                                |
| Capital expenditure – reportable segments                                      | 8                              | 548                            |
| Other unallocated amounts  | -                              | -                              |
| <b>Total</b>   | <u>8</u>                       | <u>548</u>                     |
| <b>Other material items</b>  |                                |                                |
| Share of net profits of equity accounted associates and joint venture entities | -                              | -                              |
| Other unallocated amounts  | -                              | -                              |
| <b>Total assets</b>  | <u>-</u>                       | <u>-</u>                       |

**Secondary Reporting — Geographical Segments**

The Company operates predominately in Hong Kong.

|                        | <b>Segment Revenues for<br/>External Customers</b> |                       | <b>Carrying Amount of<br/>Segment Assets</b> |                       | <b>Acquisitions of Non-<br/>current Segment</b> |                       |
|------------------------|--|-----------------------|--|-----------------------|---|-----------------------|
|                        | <b>2014<br/>\$000</b>                              | <b>2013<br/>\$000</b> | <b>2014<br/>\$000</b>                        | <b>2013<br/>\$000</b> | <b>2014<br/>\$000</b>                           | <b>2013<br/>\$000</b> |
| Geographical location: |  |                       |  |                       |   |                       |
| <b>Australia</b>       | 8,461  | 31,126                | 118,641                                      | 118,490               | -   | -                     |
| <b>Hong Kong</b>       | 67,248   | 111,099               | 63,480                                       | 72,305                | -   | -                     |
|                        | <u>75,709</u>                                      | <u>142,225</u>        | <u>182,121</u>                               | <u>190,795</u>        | <u>-</u>  | <u>-</u>              |

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

### C: IMPAIRMENT OF INVESTMENT

For the year ended 30 June 2013, 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.

|                                 | 2014<br>HKD\$000 | 2013<br>HKD\$000 |
|---------------------------------|------------------|------------------|
| Investment in associate company | 3,399            | 34,569           |
| Less: Impairment                | -                | (31,170)         |
|                                 | <u>3,399</u>     | <u>3,399</u>     |

### D: CONTINGENT LIABILITIES

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

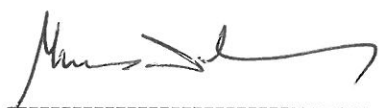
### E: EVENTS SUBSEQUENT TO REPORT DATE

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 : 29<sup>th</sup> August, 2014