

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260

## Half Year Report

### Period ended on 31 December 2015

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 2015

31 December 2014

#### Results for announcement to the market

\$HK'000

2.1 Revenues from ordinary activities	Up	31%	to	23,669
2.2 Loss from ordinary activities after tax attributable to members	Down	35%	to	(3,792)
2.3 Loss profit for the period attributable to members	Down	35%	to	(3,792)
<b>2.4 Dividends (distributions)</b>				
		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	449 cents	451 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			
<b>Total</b>			

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 \$
Quest Marine Resources Limited (i)	43.37%	NIL	NIL	NIL	NIL
MCS Engines Limited	50%	NIL	NIL	NIL	NIL
Chongqing East Toptrend Domo Limited (ii)	NIL	NIL	NIL	NIL	NIL

- (i) Investment cost of Quest Marine Resources Limited was fully written off in previous year.  
(ii) Please refer to note 5 of notes to the financial statements for detail.

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

NIL

# **MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES**

**ABN 52 004 707 260**

## **DIRECTORS' REPORT**

Your directors submit the financial report of the Consolidated Group for the half-year ended 31 December 2015.

### **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.

### **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 2015.

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

Director



**Wee Tiong CHIANG**

Dated this 29<sup>th</sup> February, 2016

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260



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## Auditor's Independence Declaration under Section 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 2015, I declare that to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) 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.

A handwritten signature in blue ink that reads "ShineWing Australia".

**ShineWing Australia**  
Chartered Accountants

A handwritten signature in blue ink that reads "M J Schofield".

**M J Schofield**  
Partner

29 February 2016

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated Group	
	31 Dec 2015	31 Dec 2014
	HK\$000	HK\$000
Revenue	23,669	18,065
Cost of sales	(23,598)	(17,754)
Gross profit	71	311
Other income	1,048	951
Employee benefits expense	(1,972)	(3,282)
Depreciation	(72)	(81)
Finance costs	(144)	(194)
Other operating expenses	(2,723)	(3,547)
Loss before income tax expenses	(3,792)	(5,842)
Income tax expenses	-	-
Loss for the period	(3,792)	(5,842)
<b>Other comprehensive income</b>	-	-
<b>Other comprehensive income for the period, net income tax</b>	-	-
<b>Total comprehensive income for the period</b>	(3,792)	(5,842)
<b>Loss attributable to :</b>		
Owners of the company	(2,835)	(4,797)
Non-controlling interest	(957)	(1,045)
<b>Loss for the period</b>	(3,792)	(5,842)
<b>Total comprehensive income attributable to:</b>		
Owners of the company	(2,835)	(4,797)
Non-controlling interest	(957)	(1,045)
<b>Total comprehensive income for the period</b>	(3,792)	(5,842)
<b>Overall Operations:</b>		
Basic losses per share (cents per share)	(15.90)	(22.41)
Diluted losses per share (cents per share)	(15.90)	(22.41)

The accompanying notes form part of these financial statements.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	Consolidated Group	
		31 Dec 2015 HK\$000	30 Jun 2015 HK\$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,157	2,835
Trade and other receivables		55,778	58,372
Financial assets		302	439
Other assets		18	81
<b>TOTAL CURRENT ASSETS</b>		<b>58,255</b>	<b>61,727</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		52,147	52,108
Investments accounted for using the equity method		3,399	3,399
Other financial assets		14,966	14,966
Plant and equipment		274	343
Other non-current assets		760	760
<b>TOTAL NON-CURRENT ASSETS</b>		<b>71,546</b>	<b>71,576</b>
<b>TOTAL ASSETS</b>		<b>129,801</b>	<b>133,303</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		46,928	44,121
Borrowings		2,771	2,604
Taxation		-	1,610
<b>TOTAL CURRENT LIABILITIES</b>		<b>49,699</b>	<b>48,335</b>
<b>TOTAL LIABILITIES</b>		<b>49,699</b>	<b>48,335</b>
<b>NET ASSETS</b>		<b>80,102</b>	<b>84,968</b>
<b>EQUITY</b>			
Issued capital	(5)	98,744	98,748
Reserves		15,423	16,493
Accumulated losses		(65,542)	(62,854)
Parent interest		48,625	52,387
Non-controlling interest		31,477	32,581
<b>TOTAL EQUITY</b>		<b>80,102</b>	<b>84,968</b>

The accompanying notes form part of these financial statements.



# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	HK\$000	HK\$000		HK\$000		HK\$000	HK\$000
	Share Capital		Reserves				
	Ordinary	(Accumulated Losses) / Retained Earnings	Capital Profits	Share Options	Foreign Currency Translation	Non-Controlling Interests	Total
Note							
<b>Balance at 1 July 2015</b>	98,748	(62,854)	1,667	5,027	9,799	32,581	84,968
<b>Total comprehensive income for the period</b>							
Loss for the period	-	(2,835)	-	-	-	(959)	(3,794)
Total comprehensive income for the period	-	(2,835)	-	-	-	(959)	(3,794)
<b>Change in non-controlling interest</b>	-	147	-	(145)	-	-	2
<b>Transactions with owners, recorded directly in equity</b>							
Share cancel during the period	(4)	-	-	-	-	-	(4)
Changes of minority interest	-	-	-	145	-	(145)	-
Share options granted	-	-	-	387	-	-	387
Share options lapsed	-	-	-	(1,457)	-	-	(1,457)
Total transaction with owners	(4)	-	-	(925)	-	(145)	(1,074)
<b>Balance at 31 December 2015</b>	98,744	(65,542)	1,667	3,957	9,799	31,477	80,102

The accompanying notes form part of these financial statements.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	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						
<b>Balance at 1 July 2014</b>	139,736	(48,823)	1,667	4,796	9,799	31,883	139,058
<b>Total comprehensive income for the period</b>							
Loss for the period	-	(4,797)	-	-	-	(1,045)	(5,842)
Total comprehensive income for the period	-	(4,797)	-	-	-	(1,045)	(5,842)
<b>Change in non-controlling interest</b>							
	-	1,211	-	31	-	(1,252)	(10)
<b>Transactions with owners, recorded directly in equity</b>							
Share cancel during the period	(36,819)	-	-	-	-	-	(36,819)
Changes of minority interest	-	-	-	(30)	-	30	-
Share options granted	-	-	-	209	-	-	209
Total transaction with owners	(36,819)	-	-	179	-	30	(36,610)
<b>Balance at 31 December 2014</b>	102,917	(52,409)	1,667	5,006	9,799	29,616	96,596

The accompanying notes form part of these financial statements.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2015

	Consolidated Group	
	31 Dec 2015	31 Dec 2014
	HK\$000	HK\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	27,401	21,348
Payments to suppliers and employees	(27,962)	(20,136)
Interest received	4	9
Interest paid	(144)	(194)
Dividend received	4	4
Net cash (used in)/provided by operating activities	<u>(697)</u>	<u>1,031</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(3)	-
Payment to related companies	(145)	(83)
Net cash used in investing activities	<u>(148)</u>	<u>(83)</u>
Net (decrease)/increase in cash held	(845)	948
Cash at the beginning of period	231	(1,131)
Cash at the end of period	<u>(614)</u>	<u>(183)</u>
<b>Analysis of the balance of cash and cash equivalents</b>		
Cash and cash equivalents in the statement of financial position:		
Cash and bank balances	2,157	2,697
Borrowings (Bank overdraft)	(2,771)	(2,880)
	<u>(614)</u>	<u>(183)</u>

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 2015

### 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 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. 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 2015, together with any public announcements made during the half-year.

#### **Going Concern**

The accounts have been prepared on a going concern basis. The Group has reported a loss of HK\$3,792,322 (31 Dec 2014: HK\$5,842,154) and generated negative operating cash flows of HK\$697,000 (31 Dec 2014: positive operation cash flows of HK\$1,031,000) for the period, and its continuance in business as a going concern is dependent upon the Group having ongoing financial support from its major shareholder. The accounts have been prepared on a going concern basis as the Group’s major shareholders have pledged to provide continuing financial support to the Group for a period of not less than twelve months from the date of the directors’ declaration.

For the half year ended 31 December 2015, the Group had a loss after income tax of HKD 3,792,000 (31 December 2014: loss after income tax of HKD 5,842,000) from continuing operations, accumulated losses of HKD 65,542,000 (30 June 2015: HKD 62,854,000), incurred negative cash flow of HKD697,000 (31 December 2014: positive cash flow of HKD1,031,000) from operating activities and had negative net cash balance of HKD 614,000. The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. The Directors have considered and noted the following with regards to the ability of the Group to continue as a going concern:

- (i) The proposed acquisition of AUS Streaming Investments Limited (“AUS Streaming”) in consideration of Murchison issuing shares to ASAF Critical Metals Limited (“ASAF”);
- (ii) AUS Streaming has a net assets of about US\$224,967,440;
- (iii) Capital raising of not less than AUD 5 million within 30 days of the approval by shareholders of the issue of Placement securities to the shareholders of ASAF and a further capital raising of not less than AUD 5 million during 2016 calendar year.
- (iv) Continuing financial support from its directors.

On the basis of these factors, the Directors believe that the going concern basis of preparation is appropriate and the Group will be able to repay its debts as and when they fall due.

As a result of those matters, there is material uncertainty related to events or conditions that may cast significant doubt on the Group’s ability to continue as going concern and therefore, it may not realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements. The review report for the half year ended 31 December 2015 therefore includes an emphasis of matter in this regard.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

NOTE 1: BASIS OF PREPARATION OF THE INTERIM REPORT

### **Going Concern - Continued**

#### **Recoverability of current and non-current receivables**

As at 31 December 2015, non-current accounts receivable and current accounts receivable amounting to \$52,147,000 and \$30,461,000, respectively, were due from related parties and the recoverability of these receivables supported by directors of the Company. However, the directors have been unable to obtain further supporting provided in relation to the realisation of the account receivables from related parties, consequently there is material uncertainty related to the recoverability of above mentioned accounts receivable. The review report for the half year ended 31 December 2015 therefore includes an emphasis of matter in this regard.

### **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 2015 annual report.

### **Impairment of Account Receivable**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

For the 6 months ended 31 December 2015, impairment of account receivable amounted to NIL (31 December 2014: HK727,250).

### **Significant Accounting Policies**

The accounting policies adopted in the preparation of these interim consolidated financial statements are consistent with those applied in the preparation of the consolidated entity's annual financial statements for the year ended 30 June 2015 except for the adoption of new standards and interpretations effective 1 July 2015 noted below. The adoption of these standards did not have a significant impact on the group's results in the current and/or prior period.

The principal Australian Accounting Standards and interpretations that became effective since 30 June 2015 are set out in the following table.

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

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

### Significant Accounting Policies – Continued

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although, the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### NOTE 2: LOSS FOR THE PERIOD

	Consolidated Group	
	31 Dec 2015	31 Dec 2014
	HK\$000	HK\$000
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Interest income	4	9
Exchange loss	(22)	(197)
Management fee income	70	58
	<u>52</u>	<u>(130)</u>

### NOTE 3: IMPAIRMENT OF ACCOUNTS RECEIVABLES

	Consolidated Group	
	31 Dec 2015	30 Jun 2015
	HK\$000	HK\$000
Trade receivable	35,797	40,327
Provision for impairment	(727)	(727)
Other receivable	20,708	27,733
	<u>55,778</u>	<u>67,333</u>

During the year ended 30 June 2015, the Company recognised the frustration of the contract made between Bob Lian and the Company pursuant to which the company recognised as an investment shares in Chongqing East Toptrend Domo Ltd (“CEDT”) in consideration of the issue of 3 million shares in the Company to Mr Lian. The parties have agreed that for reasons beyond the control of both of them that each of them should be “put back” in the same position so far as is reasonably possible as though the contract had not been signed. Consequently, the company has reversed out its investment in CEDT to a NIL balance and cancelled the 3 million shares issued to Mr Lian in the Company. No gain or loss has been recognised as a result.

The Company is of the view that AASB 132 paragraph 33 applies to this transaction which provides, inter alia, that “If an entity reacquires its own equity instruments, those instruments (“treasury shares”) shall be deducted from equity. No gain or loss shall be recognised in the profit or loss on the cancellation of an entity’s own equity instruments. Consideration paid or received shall be recognised directly in equity.”

The amounts due from CEDT amounted to HK\$727,250 were fully impaired during the year ended 30 June 2015.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## Notes to the financial statements for the half-year ended 31 December 2015

### NOTE 4: PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Stockbroking		Telecom		Corporate Advisory		Total	
	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HK\$000	2015 HK\$000	2014 HK\$000
Sales to customers outside the consolidated entity	16,177	10,846	712	1,020	6,780	6,199	-	-	23,669	18,065
Other Revenue	944	843	73	108	-	-	31	-	1,048	951
<b>Total segment revenue</b>	<b>17,121</b>	<b>11,689</b>	<b>785</b>	<b>1,128</b>	<b>6,780</b>	<b>6,199</b>	<b>31</b>	<b>-</b>	<b>24,717</b>	<b>19,016</b>
Unallocated revenue	-	-	-	-	-	-	-	-	-	-
<b>Total revenue from continuing operations</b>	<b>17,121</b>	<b>11,689</b>	<b>785</b>	<b>1,128</b>	<b>6,780</b>	<b>6,199</b>	<b>31</b>	<b>-</b>	<b>24,717</b>	<b>19,017</b>
<b>Segment result</b>	<b>(1,656)</b>	<b>(3,970)</b>	<b>(1,860)</b>	<b>(1,348)</b>	<b>(147)</b>	<b>(237)</b>	<b>(129)</b>	<b>(287)</b>	<b>(3,792)</b>	<b>(5,842)</b>
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-	-	-
<b>Loss before income tax</b>	<b>(1,656)</b>	<b>(3,970)</b>	<b>(1,860)</b>	<b>(1,348)</b>	<b>(147)</b>	<b>(237)</b>	<b>(129)</b>	<b>(287)</b>	<b>(3,792)</b>	<b>(5,842)</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-
<b>Loss after income tax</b>	<b>(1,656)</b>	<b>(3,970)</b>	<b>(1,860)</b>	<b>(1,348)</b>	<b>(147)</b>	<b>(237)</b>	<b>(129)</b>	<b>(287)</b>	<b>(3,792)</b>	<b>(5,842)</b>
<b>Segment Assets</b>	<b>92,934</b>	<b>106,322</b>	<b>30,464</b>	<b>34,668</b>	<b>258</b>	<b>358</b>	<b>6,145</b>	<b>1,722</b>	<b>129,801</b>	<b>143,070</b>



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

### NOTE 5: ISSUED CAPITAL

	Consolidated Group	
	31 Dec 2015 HK\$000	30 Jun 2015 HK\$000
17,825,412 (30 June 2015: 17,828,412) fully paid ordinary shares	102,917	98,748
Ordinary Shares	No.	No.
At the beginning of reporting period	17,828,412	21,409,043
Share cancelled on 31 December 2014	-	(3,000,000)
Share cancelled on 30 June 2015	-	(500,000)
Correcting duplicated Dividend Reinvestment	-	(80,631)
Share buy back 23 December 2015	(3,000)	-
At the end of the reporting period	17,825,412	17,828,412

During the year ended 30 June 2015, the Company recognised the frustration of the contract made between Bob Lian and the Company pursuant to which the company recognised as an investment shares in Chongqing East Toptrend Domo Ltd ("CEDT") in consideration of the issue of 3 million shares in the Company to Mr Lian. The parties have agreed that for reasons beyond the control of both of them that each of them should be "put back" in the same position so far as is reasonably possible as though the contract had not been signed. Consequently, the company has reversed out its investment in CEDT to a NIL balance and cancelled the 3 million shares issued to Mr Lian in the Company. No gain or loss has been recognised as a result.

The Company is of the view that AASB 132 paragraph 33 applies to this transaction which provides, inter alia, that "If an entity reacquires its own equity instruments, those instruments ("treasury shares") shall be deducted from equity. No gain or loss shall be recognised in the profit or loss on the cancellation of an entity's own equity instruments. Consideration paid or received shall be recognised directly in equity."

### NOTE 6: SHARE ISSUED DURING THE PERIOD

There has been no share issued since the last annual reporting date.

### NOTE 7: SHARE OPTIONS LAPSED

There has been 1,006,000 share options lapsed during the period.

### NOTE 8: FAIR VALUE MEASUREMENTS

The only financial assets carried at fair value are shares. The directors consider the shares to be Level 1 financial instruments, which have quoted prices (unadjusted) in active markets for identical assets or liabilities. There have been no transfers between level 1, 2 and 3 for recurring fair value measurements during the half-year.

The fair value of the shares as at 31 Dec 2015 was HK\$302,101 (30 Jun 2015: HK\$438,991).

The directors consider that the carrying amount of the other financial assets and other financial liabilities recorded in the financial statements approximate their fair values.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

**ABN 52 004 707 260**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

### NOTE 9: CONTINGENT LIABILITIES

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

### NOTE 10: EVENTS SUBSEQUENT TO REPORT DATE

For the half year ended 31 December 2015, the Group had a loss after income tax of HKD 3,792,000 (31 December 2014: loss after income tax of HKD 5,842,000) from continuing operations, accumulated losses of HKD 65,542,000 (30 June 2015: HKD 62,854,000), incurred negative cash flow of HKD697,000 (31 December 2014: positive cash flow of HKD1,031,000) from operating activities and had negative net cash balance of HKD 614,000.

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business. The Directors have considered and noted the following with regards to the ability of the Group to continue as a going concern:

- (i) The proposed acquisition of AUS Streaming Investments Limited ("AUS Streaming") in consideration of Murchison issuing shares to ASAF Critical Metals Limited ("ASAF");
- (ii) AUS Streaming has a net assets of about US\$224,967,440;
- (iii) Capital raising of not less than AUD 5 million within 30 days of the approval by shareholders of the issue of Placement securities to the shareholders of ASAF and a further capital raising of not less than AUD 5 million during 2016 calendar year.
- (iv) Continuing financial support from its directors.

On the basis of these factors, the Directors believe that the going concern basis of preparation is appropriate and the Group will be able to repay its debts as and when they fall due.

As a result of those matters, there is material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as going concern and therefore, it may not realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements. The review report for the half year ended 31 December 2015 therefore includes an emphasis of matter in this regard.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on page 7 to 16:
  - 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 2015 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 29<sup>th</sup> February, 2016

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260



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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 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 19.

#### *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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year 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 at 31 December 2015 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, 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*.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ABN 52 004 707 260



## *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:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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*.

## *Significant Uncertainty Regarding Continuation as a Going Concern*

Without modifying our opinion, we draw attention to Note 1 to the finance statement which indicates that the consolidated entity incurred a net loss of HK\$3,792,000 and incurred negative operating cash flow of HK\$697,000 during the 6 months period ended 31 December 2015. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the company and consolidated entity to continue as a going concern and be able to pay their debts as and when they fall due and therefore, the company and the consolidated entity may be unable to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

## *Emphasis of matter – valuation of current and non-current account receivables from related companies*

Without modifying our opinion, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the valuation of current and non-current accounts receivable from related parties supported by the directors of the Company. However, without further supporting evidence being provided in relation to the realisation of the accounts receivable, there is a material uncertainty in relation to the recoverability of the above mentioned account receivables.

A handwritten signature in blue ink that reads 'ShineWing Australia'.

**ShineWing Australia**  
Chartered Accountants

A handwritten signature in blue ink that reads 'M J Schofield'.

M J Schofield  
Partner  
Chartered Accountant

Melbourne, 29 February 2016