

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 2018.
Comparative amount, unless otherwise indicated, are for the year ended 30 June 2017.

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

Revenues from ordinary activities	Up	451%	to	\$HKD'000 7,233
Loss for ordinary activities after tax attributable to members	Down	81%	to	(1,847)
Loss for the year attributable to members	Down	81%	to	(1,847)
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 and settlement services. 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 2018

	2018 HKD\$000	2017 HKD\$000
Revenue	7,233	1,313
Other Income / (loss)	7,941	696
Administrative expenses	(16,839)	(11,120)
Finance costs	(182)	(738)
	<hr/>	<hr/>
Loss before income tax expenses	(1,847)	(9,849)
Income tax expenses	-	-
Loss for the year	(1,847)	(9,849)
Other comprehensive income		
Foreign currency translation differences for foreign operation:	-	-
Other comprehensive income for the year, net income tax	<hr/> -	<hr/> -
Total comprehensive loss for the year	<hr/> (1,847) <hr/>	<hr/> (9,849) <hr/>
Loss attributable to :		
Owners of the company	(1,742)	(7,697)
Non-controlling interest	(105)	(2,152)
Loss for the year	<hr/> (1,847) <hr/>	<hr/> (9,849) <hr/>
Total comprehensive income attributable to :		
Owners of the company	(1,742)	(7,697)
Non-controlling interest	(105)	(2,152)
Total comprehensive (loss) for the year	<hr/> (1,847) <hr/>	<hr/> (9,849) <hr/>
Earning per share		
Basic losses per share (cents per share)	(8.58)	(37.93)
Diluted losses per share (cents per share)	(8.58)	(37.93)

The accompanying notes form part of these financial statements.

4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	2018	2017
	HKD\$000	HKD\$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,896	5,833
Trade and other receivables	56,039	47,998
Financial assets	34	403
Other assets	22	28
TOTAL CURRENT ASSETS	61,991	54,262
NON-CURRENT ASSETS		
Investment accounted for using the equity method	3,400	3,400
Other financial assets	14,466	14,466
Plant and equipment	29	81
Trade and other receivables	52,034	51,694
Other non-current assets	760	760
TOTAL NON-CURRENT ASSETS	70,689	70,401
TOTAL ASSETS	132,680	124,663
CURRENT LIABILITIES		
Trade and other payables	68,146	59,277
Financial liabilities	-	-
Taxation	-	-
TOTAL CURRENT LIABILITIES	68,146	59,277
NET ASSETS	64,534	65,386
EQUITY		
Issued capital	98,744	98,744
Reserves	16,171	16,171
Accumulated losses	(79,086)	(77,344)
Parent Interest	35,829	37,571
Non-controlling interest	28,705	27,815
TOTAL EQUITY	64,534	65,386

The accompanying notes form part of these financial statements.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	HK\$000	HK\$000		HK\$000		HK\$000	HK\$000
	Ordinary	Accumulated		Reserve			Total
Note	Share	(Losses) / Retained Earnings			Foreign Currency Translation	Non- controlling interests	
			Share Option	Capital Profits			
Balance at 1 July 2017	98,744	(77,344)	4,401	1,667	10,103	27,815	65,386
Total comprehensive income for the year							
Loss for the year	-	(1,742)	-	-	-	(105)	(1,847)
Total comprehensive (loss) for the year	-	(1,742)	-	-	-	(105)	(1,847)
<i>Transactions with owners, recorded directly in equity</i>							
Change of non-controlling interest	-	-	-	-	-	995	995
Total transaction with owners	-	-	-	-	-	995	995
Balance at 30 June 2018	98,744	(79,086)	4,401	1,667	10,103	28,705	64,534

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

FOR THE YEAR ENDED 30 JUNE 2018

	HK\$000	HK\$000		HK\$000		HK\$000	HK\$000
	Ordinary	Accumulated		Reserve		Non-	Total
Note	Share	(Losses) / Retained Earnings	Share Option	Capital Profits	Foreign Currency Translation	controlling interests	
Balance at 1 July 2016	98,744	(69,647)	4,215	1,667	9,948	29,967	74,894
Total comprehensive income for the year							
Loss for the year	-	(7,697)	-	-	-	(2,152)	(9,849)
Foreign currency translation differences	-	-	-	-	155	-	155
Total comprehensive (loss) for the year	-	(7,697)	-	-	155	(2,152)	(9,694)
<i>Transactions with owners, recorded directly in equity</i>							
Share Options granted	-	-	186	-	-	-	186
Change of non-controlling interest	-	-	-	-	-	-	-
Total transaction with owners	-	-	186	-	-	-	186
Balance at 30 June 2017	98,744	(77,344)	4,401	1,667	10,103	27,815	65,386

6. CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	2018 HKD\$000	2017 HKD\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	58,192	70,082
Payments to suppliers and employees	(58,928)	(62,739)
Interest received	2	8
Interest and other costs of finance paid	(182)	(739)
Dividend received	3	15
NET CASH FROM/(USED) IN OPERATING ACTIVITIES	(913)	6,627
CASH FLOW FROM INVESTING ACTIVITIES		
Disclosure/(Purchase) of fixed assets	(19)	(795)
NET CASH USED IN INVESTING ACTIVITIES	(19)	(795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in non controlling interest	995	-
NET CASH PROVIDED IN FINANCING ACTIVITIES	995	-
Net increase/(decrease) in cash held	63	5,832
Cash at the beginning of financial year	5,833	1
CASH AT THE END OF FINANCIAL YEAR	5,896	5,833
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,896	5,833
Borrowings	-	-
	5,896	5,833

The accompanying notes form part of these financial statements.

7. ISSUED CAPITAL

a. Movement in share capital

	2018 HKD\$000	2017 HKD\$000
17,825,412 (2017: 17,825,412) fully paid ordinary shares	98,744	98,744
Balance at 1 July 2017: 17,825,412 shares (1 July 2016: 17,825,412 shares)	98,744	98,744
Balance at 30 June 2018: 17,825,412 shares (30 June 2017: 17,825,412 shares)	98,744	98,744

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 2018 and no dividends are presently proposed as being payable.

9. CONSOLIDATED ACCUMULATED LOSSES

	2018 HKD\$000	2017 HKD\$000
Retained earnings at the beginning of the financial year	(77,344)	(69,647)
Losses attributable to members of the parent entity	(1,742)	(7,697)
Accumulated losses at the end of the year	(79,086)	(77,344)

10. NET TANGIBLE ASSETS PER SECURITY

	2018	2017
Net tangible assets per security	362 cents	367 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 17,825,412)

11. EARNINGS PER SHARE

	2018 Cents	2017 Cents
Basic losses per share (a)	(8.58)	(37.93)
Diluted losses per share (b)	(8.58)	(37.93)
(a) Basic losses per share	\$000	\$000
Losses used to calculate losses per share	(1,742)	(7,697)
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share	20,291,741	20,291,741
(b) Diluted losses per share		
Losses used to calculate losses per share	(1,742)	(7,697)
Weighted average number of ordinary shares used as the denominator in calculating Diluted losses per share	20,291,741	20,291,741

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 Marine Resources Limited	43.37	Nil	Nil	Nil	Nil

14. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2018

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 2018 annual report, the December 2017/6 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 31st August 2018.

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 2018 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 and sourcing.

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	2018 HKD\$	2017 HKD\$	2018 HKD\$	2017 HKD\$	2018 HKD\$	2017 HKD\$	2018 HKD\$	2017 HKD\$	2018 HKD\$	2017 HKD\$
	000	000	000	000	000	000	000	000	000	000
External revenue	-	-	1,004	1,302	-	-	6,229	11	7,233	1,313
Other Income / (loss)	7,689	568	113	21	(124)	98	263	9	7,941	696
Reportable segment (losses) before tax	(2,571)	(8,001)	(3,154)	(3,102)	(1,671)	(199)	5,549	1,453	(1,847)	(9,849)
Reportable segment assets	62,759	60,450	4,322	5,587	(1,741)	(70)	(806)	(581)	64,534	65,386
Capital expenditure	-	-	-	-	-	-	-	-	-	-
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)

	2018	2017
In thousands of HKD	HKD\$000	HKD\$000
Reconciliation of reportable segment profit, assets and other material items		
Loss		
Total losses for reportable segments	(1,847)	(9,849)
Unallocated amounts – other corporate expenses	-	-
Loss before income tax	(1,847)	(9,849)
Assets		
Total assets for reportable segments	132,680	124,663
Other unallocated amounts	-	-
Total assets	132,680	124,663
Capital Expenditure		
Capital expenditure – reportable segments	-	-
Other unallocated amounts	-	-
Total	-	-
Other material items		
Share of net profits of equity accounted associates and joint venture entities	-	-
Other unallocated amounts	-	-
Total assets	-	-

Secondary Reporting — Geographical Segments

The Company operates predominately in Hong Kong.

	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non- current Segment	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Geographical location:						
Australia	12,822	198	44,930	41,758	-	-
Hong Kong	2,352	1,811	19,604	23,628	-	-
	15,174	2,009	64,534	65,386	-	-

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

Wee Tiong CHIANG
Director
Date : 31st August, 2018