

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

	2014 HKD\$000	2013 HKD\$000
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)
Other comprehensive income		
Foreign currency translation differences:	(94)	-
Other comprehensive income for the year, net income tax	-	-
Total comprehensive (loss) for the year	(9,519)	(41,520)
Loss attributable to :		
Owners of the company	(7,760)	(40,488)
Non-controlling interest	(1,759)	(1,032)
Loss for the year	(9,519)	(41,520)
Total comprehensive income attributable to :		
Owners of the company	(7,760)	(40,488)
Non-controlling interest	(1,759)	(1,032)
Total comprehensive (loss) for the year	(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> <u>HKD\$000</u>	<u>2013</u> <u>HKD\$000</u>
ASSETS		
CURRENT ASSETS		
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
TOTAL CURRENT ASSETS	73,451	82,056
NON-CURRENT ASSETS		
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
TOTAL NON-CURRENT ASSETS	108,670	108,739
TOTAL ASSETS	182,121	190,795
CURRENT LIABILITIES		
Trade and other payables	39,302	41,552
Financial liabilities	3,671	3,377
Taxation	90	86
TOTAL CURRENT LIABILITIES	43,063	45,015
NET ASSETS	139,058	145,780
EQUITY		
Issued capital	139,776	138,813
Reserves	15,123	15,616
Accumulated losses	(47,687)	(42,616)
Parent Interest	107,212	111,813
Non-controlling interest	31,846	33,967
TOTAL EQUITY	139,058	145,780

The accompanying notes form part of these financial statements.

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	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 30 June 2013	138,813	(42,616)	4,151	1,666	9,799	33,967	145,780
Total comprehensive income for the year							
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)
Change in non-controlling interest	-	2,689	(781)	-	-	(388)	1,520
Reinvestment	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
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
Balance at 30 June 2014	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			Total
Note	Share	(Losses) / Retained Earnings		Share Option	Capital Profits	Foreign Currency Translation	Non- controlling interests
Balance at 1 July 2012	138,604	1,467		2,787	1,666	9,799	30,241
Total comprehensive income for the year							
Loss for the year	-	(40,488)	-	-	-	-	(1,032)
Foreign currency translation differences	-	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	(40,488)	-	-	-	-	(1,032)
Change in non-controlling interest	-	(3,379)	-	-	-	-	3,379
Reinvestment	216	(216)	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Share issue during the year	-	-	-	-	-	-	-
Share bought back during the year	(7)	-	-	-	-	-	-
Share Options exercised	-	-	(50)	-	-	-	-
Share Options expenses	-	-	1,414	-	-	-	-
Change of non-controlling interest	-	-	-	-	-	-	1,379
Total transaction with owners	(7)	-	1,364	-	-	-	1,379
Balance at 30 June 2013	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> <u>HKD\$000</u>	<u>2013</u> <u>HKD\$000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
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)
NET CASH (USED) IN OPERATING ACTIVITIES	(3,514)	(1,465)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(8)	(548)
NET CASH USED IN INVESTING ACTIVITIES	(8)	(548)
CASH FLOWS FROM FINANCING ACTIVITIES		
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	-
NET CASH PROVIDED IN FINANCING ACTIVITIES	2,741	150
Net decrease in cash held	(781)	(1,863)
Cash at the beginning of financial year	(350)	1,513
CASH AT THE END OF FINANCIAL YEAR	(1,131)	(350)
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,540	3,027
Borrowings	(3,671)	(3,377)
	(1,131)	(350)

The accompanying notes form part of these financial statements.

7. ISSUED CAPITAL

a. Movement in share capital

	2014 HKD\$000	2013 HKD\$000
21,409,043 (2013: 20,263,251) fully paid ordinary shares	139,776	138,813
Balance at 1 July 2013: 20,263,251 shares (1 July 2012: 20,192,620 shares)	138,813	138,604
Shares issued by placing during the year: 1,007,665 (2013: Nil)	761	-
Shares issued by options exercise during the year: 138,127 shares (2013: Nil)	202	-
Shares issued by reinvestment during the year: Nil (2013: 80,631 shares)	-	216
Shares buyback during the year: Nil (2013: 10,000 shares)	-	(7)
Balance at 30 June 2014: 21,409,043 shares (30 June 2013: 20,263,251 shares)	139,776	138,813

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 HKD\$000	2013 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	(47,687)	(42,616)

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 Cents	2013 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.

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 29th 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 HKD\$	2013 HKD\$	2014 HKD\$	2013 HKD\$	2014 HKD\$	2013 HKD\$	2014 HKD\$	2013 HKD\$	2014 HKD\$	2013 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> <u>HKD\$000</u>	<u>2013</u> <u>HKD\$000</u>
Reconciliation of reportable segment profit, assets and other material items		
Loss		
Total losses for reportable segments	(9,335)	(41,434)
Unallocated amounts – other corporate expenses	-	-
Loss before income tax	(9,335)	(41,434)
Assets		
Total assets for reportable segments	182,121	190,795
Other unallocated amounts	-	-
Total assets	182,121	190,795
Capital Expenditure		
Capital expenditure – reportable segments	8	548
Other unallocated amounts	-	-
Total	8	548
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	
	2014	2013	2014	2013	2014	2013
	\$000	\$000	\$000	\$000	\$000	\$000
Geographical location:						
Australia	8,461	31,126	118,641	118,490	-	-
Hong Kong	67,248	111,099	63,480	72,305	-	-
	75,709	142,225	182,121	190,795	-	-

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 HKD\$000	2013 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.

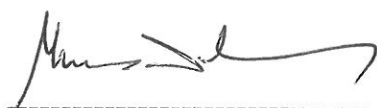
E: EVENTS SUBSEQUENT TO REPORT DATE

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



Wee Tiong CHIANG

Director

Date : 29th August, 2014