

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 2011. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2010.

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	Up	728%	to	509,745
Profits for ordinary activities after tax attributable to members	Up	27%	to	5,338
Profits for the year attributable to members	Up	27%	to	5,338
Dividends (distributions)	Please refer to Note 6.			

Review of Operation

Murchison Holdings Limited and its controlled entities continued to earn their income from activities in the sectors of investments, stockbroking, nominee services, settlement services, electronics businesses, information technology and processing and sale of processed seafood. Our focus has continued to be markets in South East Asia, Australia, Europe and the USA. The consolidated profits from continuing operations after providing for income tax & eliminating minority equity interests amounted to HKD\$5,337,814.

3. STATEMENT OF COMPREHENSIVE INCOME**FOR THE YEAR ENDED 30 JUNE 2011**

	2011 HKD\$000	2010 HKD\$000
Revenue	509,745	61,597
Cost of Sales	(503,046)	(54,560)
Gross Profit	6,699	7,037
Other Income	17,927	13,166
Employee Benefits expenses	(8,572)	(7,405)
Depreciation	(142)	(125)
Finance costs	(467)	(473)
Other operating expenses	(13,253)	(8,373)
Share of operating net profits of a associates	4,824	1,105
Profit before income tax expenses	7,016	4,932
Income tax expenses	-	-
Profit for the year	7,016	4,932
Other comprehensive income		
Foreign currency translation differences:	-	3,180
Other comprehensive income for the year, net income tax	7,016	3,180
Total comprehensive income for the year	7,016	8,112
Profit attributable to :		
Owners of the company	5,338	4,201
Non-controlling interest	1,678	731
Profit for the year	7,016	4,932
Total comprehensive income / (loss) attributable to :		
Owners of the company	5,338	7,381
Non-controlling interest	1,678	731
Total comprehensive income for the year	7,016	8,112
Basic earnings per share (cents per share)	26.49	20.86
Diluted earnings per share (cents per share)	25.02	10.41

The accompanying notes form part of these financial statements.

4. STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2011**

	<u>2011</u> <u>HKD\$000</u>	<u>2010</u> <u>HKD\$000</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,680	5,617
Trade and other receivables	54,650	63,026
Financial assets	15,139	2,465
Other current assets	30	87
TOTAL CURRENT ASSETS	76,499	71,195
NON-CURRENT ASSETS		
Investment accounted for using the equity method	33,150	28,326
Financial assets	51,786	50,195
Plant and equipment	256	329
Trade and other receivables	53,872	54,066
Other non-current assets	760	760
TOTAL NON-CURRENT ASSETS	139,824	133,676
TOTAL ASSETS	216,323	204,871
CURRENT LIABILITIES		
Trade and other payables	23,735	19,353
Financial liabilities	3,043	6,391
TOTAL CURRENT LIABILITIES	26,778	25,744
NET ASSETS	189,545	179,127
EQUITY		
Issued capital	138,486	138,501
Reserves	13,951	10,534
Retained profits	5,316	(22)
Parent Interest	157,753	149,013
Minority equity interest	31,792	30,114
TOTAL EQUITY	189,545	179,127

The accompanying notes form part of these financial statements.

5. STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	<u>2011</u> <u>HKD\$000</u>	<u>2010</u> <u>HKD\$000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	538,423	75,804
Payments to suppliers and employees	(540,810)	(72,653)
Interest received	453	56
Interest and other costs of finance paid	(467)	(473)
Dividend received	55	21
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NET CASH PROVIDED BY OPERATING ACTIVITIES	(2,346)	2,755
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CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(66)	(124)
Proceeds from sale of fixed assets	-	-
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NET CASH USED IN INVESTING ACTIVITIES	(66)	(124)
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CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of related companies loan	6,839	1,808
Proceeds from issue of share	-	-
Share buy-back payment	(15)	(218)
NET CASH USED IN FINANCING ACTIVITIES	6,824	1,590
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Net increase/ (decrease) in cash held	4,412	4,221
Cash at the beginning of financial year	(776)	(4,997)
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CASH AT THE END OF FINANCIAL YEAR	3,636	(776)
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The accompanying notes form part of these financial statements.

6. DIVIDENDS

Subject, inter alia, to the continuing profitability of the Company, the Directors have determined to recommend to shareholders at the 2011 Annual General Meeting of the Company to pay a dividend of 0.275 of an Australian cent (\$0.00275) per share unfranked for the year ended 30 June 2011. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2010 and will be recognised in subsequent financial periods. The proposed record date for determining entitlements to the dividend will be determined at the said AGM.

7. CONSOLIDATED ACCUMULATED LOSSES

	2011	2010
	\$000	\$000
Accumulated profits/losses at the beginning of the financial year	(22)	(4,223)
Profit attributable to members of the parent entity	5,338	4,201
Retained earnings/accumulated losses at the end of the year	5,316	(22)

8. NET TANGIBLE ASSETS PER SECURITY

	2011	2010
	941 cents	889 cents
Net tangible assets per security		

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 20,132,313)

9. EARNINGS PER SHARE

	2011	2010
	Cents	Cents
Basic earnings per share (a)	26.51	20.86
Diluted earnings per share (b)	25.02	10.41
(a) Basic earnings per share	\$000	\$000
Earnings used to calculate earnings per share	5,338	4,201
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share	20,132,313	20,139,514
(b) Diluted earnings per share	\$000	\$000
Earnings used to calculate earnings per share	5,338	4,201
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	21,332,058	40,351,509

10. CHANGES IN CONTROL OVER GROUP ENTITIES

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

11. 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	31	Nil	Nil	Nil	Nil
Meredeen Investment Limited	25	Nil	Nil	Nil	Nil
Quest Marine Resources Limited	28	6,098,669	1,274,491	4,824,178	1,105,164

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

**12. NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2011****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES****Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The 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.

Change in functional and presentation currency

An entity's functional currency is the currency of the primary economic environment in which the entity operates. Given that in excess of 90% of the Company's revenue and the Group's banking facilities are denominated in HK dollars, the Company announced on 28 February 2011 that the directors had determined that the functional currency of the Company and all its subsidiaries is HK dollars. The change in functional currency has been applied with effect from 1 July 2010 in accordance with the requirements of the Accounting Standards. Murchison Holdings Limited has elected to change its presentation currency from Australian dollars to HK dollars. The directors believe that changing the presentation currency to HK dollars will enhance comparability with its industry peer group, a majority of which report in HK dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

To give effect to the change in functional current, the assets and liabilities of entities with an Australian dollar functional currency at 30 June 2010 were converted into HK dollars at a fixed exchange rate on 1 July 2010 of AUD1:HKD6.634 and the contributed equity, reserves and retained earnings were converted at applicable historical rates. In order to derive HK dollar comparatives, the Australian dollar functional currency assets and liabilities at 30 June 2010 were converted at the spot rate of AUD1:HKD6.634 on the reporting date.

Earnings per share for 2010 has also been restated in HK dollars to reflect the change in the presentation currency.

Rounding of Amounts

The economic entity 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.

2. 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

Sourcing

Provision of third party sourcing services to clients

Telecom

Provision of communication equipment and services to clients

12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)

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.

Segment Reporting**Primary Reporting — Business Segments**

	Investment		Stockbroking		Sourcing		Telecom		Economic Entity	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000
REVENUE										
External Sales	502,210	47,753	7,396	6,542	-	-	139	7,302	509,745	61,597
Other revenue	13,235	11,994	4,692	1,172	-	-	-	-	17,927	13,166
Total revenue from ordinary activities	515,445	59,747	12,088	7,714	-	-	139	7,302	527,672	74,763
Segment result	(2,309)	2,333	4,444	1,652	-	-	57	(158)	2,192	3,827
Unallocated revenues	-	-	-	-	-	-	-	-	-	-
Gain on acquisition	-	-	-	-	-	-	-	-	-	-
Excess of the investor's share of the net value on acquisition	-	-	-	-	-	-	-	-	-	-
Gain on disposal of an associated company	-	-	-	-	-	-	-	-	-	-
Share of net profits of equity accounted associates and joint venture entities	4,824	1,105	-	-	-	-	-	-	4,824	1,105
Profit (loss) for the year	2,515	3,438	4,444	1,652	-	-	57	(158)	7,016	4,932
ASSETS										
Segment assets	171,606	164,368	26,162	24,093	17,595	16,190	960	222	216,323	204,873
LIABILITIES										
Segment liabilities	(13,594)	(9,830)	(9,833)	(10,753)	(3,212)	(4,862)	(139)	(299)	(26,778)	(25,744)

12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****Secondary Reporting — Geographical Segments**

	Segment Revenues for External Customers		Carrying Amount of Segment Assets		Acquisitions of Non-current Segment	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Geographical location:						
Australia	96,509	24,466	152,090	148,715	-	-
Hong Kong	431,163	50,297	37,455	30,412	-	-
	527,672	74,763	189,545	179,127	-	-

13. 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, 2011