

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

ACN 004 707 260

## Half Year Report Period ending on 31 December 2006

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
004 707 260	31 December 2006	31 December 2005

### Results for announcement to the market

			\$A'000
2.1 Revenues from ordinary activities	Down	23% to	2,758
2.2 Profit from ordinary activities after tax attributable to members	Down	44% to	248
2.3 Net profit for the period attributable to members	Down	44% to	248
<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	102 cents	111 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.

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
\$	\$

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)
<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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## DIRECTORS' REPORT

Your directors submit the financial report of the economic entity for the half-year ended 31 December 2006.

### 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*

### Review of Operations

Murchison Holdings Limited and its controlled entities continued to earn its income from activities in the sectors of investments, stockbroking, nominees, settlement services, electronics businesses, marine products and information technology. Our focus has continued to be markets of South East Asia and Australia. The consolidated losses from ordinary activities of the consolidated entity after providing for income tax and eliminating outside equity interests amount to \$247,586.

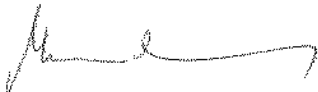
### Rounding of Amounts

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.

### Auditor's Declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 5 for the half year ended 31 December 2006.

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



Director

Wee Tiong CHIANG

Dated this 27<sup>th</sup> February 2007

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MURCHISON HOLDINGS LTD**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2006 there have been:

- a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

*Bentleys MRI*

**BENTLEYS MRI  
CHARTERED ACCOUNTANTS**

*Scott Phillips*

**SCOTT PHILLIPS  
PARTNER**

Dated in Melbourne on this 27<sup>th</sup> day of February 2007





# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	\$000	\$000	\$000			\$000	\$000
	Share Capital		Reserves			Minority Equity	
Note	Ordinary	Accumulated losses	Capital Profits	Share Options	Foreign currency Translation	Interests	Total
<b>Balance at 1.7.2006</b>	10,931	(4,343)	265	408	119	6,060	13,440
Profit attributable to members of parent entity	-	293	-	-	-	-	293
Profit attributable to minority shareholders	-	(45)	-	-	-	45	-
Movement in minority interests	-	-	-	-	-	3	3
Movement in reserves	-	-	-	-	(266)	-	(266)
<b>Balance at 31.12.2006</b>	10,931	(4,095)	265	408	(147)	6,108	13,470

	\$000	\$000	\$000		\$000	\$000
	Share Capital		Reserves		Minority Equity	
Note	Ordinary	Accumulated losses	Capital Profits	Share option	Interests	Total
<b>Balance at 1.7.2005</b>	9,887	(4,066)	265	421	3,574	10,081
Shares issued during the year	733	-	-	-	-	733
Profit attributable to members of parent entity	-	443	-	-	-	443
Profit / (loss) attributable to minority shareholders	-	-	-	-	(24)	(24)
Movement in minority interests	-	-	-	-	533	533
<b>Balance at 31.12.2005</b>	10,620	(3,623)	265	421	4,083	11,766

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2006

	Economic Entity	
	31.12.2006	31.12.2005
	\$000	\$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	1,553	3,667
Payments to suppliers and employees	(1,442)	(4,558)
Dividends received	-	23
Finance costs	(78)	(87)
Net cash provided by (used in) operating activities	33	(955)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan to associate company	-	(150)
Payment for property, plant and equipment	(3)	(18)
Net cash used by investing activities	(3)	(168)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares by parent entities	-	773
Proceeds from issue of shares by control entities	-	666
Net cash provided by (used in) financing activities	-	1,439
Net increase in cash held	30	316
Cash at <b>1 July 2006</b>	(473)	(398)
Effects of exchange rate changes on cash holdings in foreign currencies	(258)	93
Cash at <b>31 December 2006</b>	(701)	11



# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

### NOTE 1: BASIS OF PREPARATION

future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

#### **(c) Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### **Plant and equipment**

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### **(d) Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **(e) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to







# **MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

### **NOTE 1: BASIS OF PREPARATION**

the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **(p) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **(q) Rounding of Amounts**

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest thousands.

# MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

### NOTE 2: PROFIT FROM ORDINARY ACTIVITIES

Economic Entity  
31.12.2006 31.12.2005  
\$000 \$000

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Interest income	343	142
Exchange gain	89	289
Management fee income	-	63
	<u>432</u>	<u>494</u>
Exchange loss	<u>23</u>	<u>-</u>

### NOTE 3 : PRIMARY REPORTING – BUSINESS SEGMENTS

	Investments		Stockbroking		Eliminations		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sales to customers outside the consolidated entity	1,324	2,668	708	410	-	-	2,032	3,078
Other Revenue	452	230	274	262	-	-	726	492
Total segment revenue	<u>1,776</u>	<u>2,898</u>	<u>982</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>2,758</u>	<u>3,570</u>
Unallocated revenue	-	-	-	-	-	-	-	-
Total revenue from ordinary activities	<u>1,776</u>	<u>2,898</u>	<u>982</u>	<u>672</u>	<u>-</u>	<u>-</u>	<u>2,758</u>	<u>3,570</u>
Segment result	<u>168</u>	<u>377</u>	<u>107</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>419</u>
Unallocated expenses net of unallocated revenue	-	-	-	-	-	-	-	-
Profit before income tax	<u>168</u>	<u>377</u>	<u>107</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>419</u>
Income tax expense	-	-	-	-	-	-	-	-
Profit after income tax	<u>168</u>	<u>377</u>	<u>107</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>419</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006**

**NOTE 4: CONTINGENT LIABILITIES**

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

**NOTE 5 : EVENTS SUBSEQUENT TO REPORT DATE**

There has been no event subsequent to report date.

**MURCHISON HOLDINGS LIMITED AND CONTROLLED ENTITIES**

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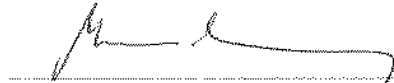
**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on page 6 to 17:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the economic entity's financial position as at 31 December 2006 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 27<sup>th</sup> February 2007

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## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MURCHISON HOLDINGS LTD**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year condensed financial report of Murchison Holdings Ltd ("the company") and its controlled entities ("consolidated entity"), which comprises the condensed balance sheet as at 31 December 2006, condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, notes to the financial statements, other selected explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Half-Year Financial Report**

The directors' of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **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 Australian Auditing Standard on Review Engagements ASRE 2410 Review of an Interim 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 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 the company, ARSE 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.

