

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 2007. Comparative amount, unless otherwise indicated, are for the year ended 30 June 2006.

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

				\$A'000
Revenues from ordinary activities	Up	48%	to	8,577
Profits for ordinary activities after tax attributable to members	Down	70%	To	346
Profits for the period attributable to members	Down	70%	to	346
Dividends (distributions)	It does not propose to pay a dividend.			

Review of Operation

The net profits after tax attributable to members of parent entity down 70% to \$345,729 compared to a profits of \$1,147,703 in the previous year. The basic earnings per share were 2.62 cents.

3. INCOME STATEMENTS**AS AT 30 JUNE 2007**

	Note	2007 <u>\$000</u>	2006 <u>\$000</u>
Revenue		8,577	5,814
Cost of Sales		(7,424)	(4,624)
Other Income		1,943	2,239
Finance costs		(129)	(182)
Employee Benefits expenses		(834)	(820)
Depreciation and amortisation		(4)	(7)
Other operating expenses		(1,302)	(1,151)
Share of losses of a associated company		(74)	(17)
		<hr/>	<hr/>
Profit for the year		753	1,252
Profit attributable to minority interest		(407)	(105)
		<hr/>	<hr/>
Net profit attributable to members of parent		346	1,147
		<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share (cents per share)		2.62	8.94
Diluted earnings per share (cents per share)		1.40	4.66

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4. BALANCE SHEET**AS AT 30 JUNE 2007**

	<u>2007</u>	<u>2006</u>
	<u>\$000</u>	<u>\$000</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,214	2,437
Trade and other receivables	16,644	17,701
Financial assets	832	720
Other current assets	14	18
	<u>18,704</u>	<u>20,876</u>
TOTAL CURRENT ASSETS		
	18,704	20,876
NON-CURRENT ASSETS		
Investment accounted for using the equity method	359	433
Financial Assets	31	9
Plant and Equipment	17	8
Other non-current assets	113	132
	<u>520</u>	<u>582</u>
TOTAL NON-CURRENT ASSETS		
	520	582
TOTAL ASSETS		
	<u>19,224</u>	<u>21,458</u>
CURRENT LIABILITIES		
Trade and other payables	4,287	5,108
Short-term borrowings	1,154	2,910
	<u>5,441</u>	<u>8,018</u>
TOTAL CURRENT LIABILITIES		
	5,441	8,018
NET ASSETS		
	<u>13,783</u>	<u>13,440</u>
EQUITY		
Issued capital	11,171	10,931
Reserves	721	792
Accumulated Losses	(3,997)	(4,343)
	<u>7,895</u>	<u>7,380</u>
Parent Interest		
Minority equity interest	5,888	6,060
	<u>13,783</u>	<u>13,440</u>
TOTAL EQUITY		
	13,783	13,440

The accompanying notes form part of this financial report.

5. STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2007

	<u>2007</u> \$000	<u>2006</u> \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	11,934	11,046
Payments to suppliers and employees	(10,037)	(4,798)
Interest received	32	179
Interest and other costs of finance paid	(129)	(182)
Dividends received	-	3
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,800	6,248
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of fixed assets	(17)	-
Proceeds from disposal of fixed assets	-	(11)
Repayment of related companies loan	(1,419)	(7,346)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(1,436)	(7,357)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share	240	1,044
NET CASH PROVIDED BY FINANCING ACTIVITIES	240	1,044
Net increase/ (decrease) in cash held	604	(65)
Cash at the beginning of financial year	(473)	(398)
Effect of exchange rate changes on cash holdings in foreign currencies	(71)	(10)
CASH AT THE END OF FINANCIAL YEAR	60	(473)

The accompanying notes form part of this financial report.

6. DIVIDENDS

The Company did not pay any dividends during the year ended 30 June 2007 and no dividends are presently proposed as being payable.

The Company does not operate a dividend re-investment plan.

7. CONSOLIDATED RETAINED EARNINGS

	2007 \$000	2006 \$000
Accumulated losses at the beginning of the financial year	(4,343)	(5,490)
Profit attributable to members of the parent entity	346	1,147
Accumulated losses at the end of the year	<u>(3,997)</u>	<u>(4,343)</u>

8. NET TANGIBLE ASSETS PER SECURITY

	2007	2006
Net tangible assets per security	102 cents	101 cents

(The total number of ordinary shares used as the denominator in calculating Net Tangible Assets per share was 13,432,709)

9 EARNINGS PER SHARE

	2007 Cents	2006 Cents
Basic earnings per share (a)	2.62	8.94
Diluted earnings per share (b)	1.40	4.66
(a) Basic earnings per share	\$000	\$000
Earnings used to calculate earnings per share	346	1,147
Weighted average number of ordinary shares used as the denominator in calculating Basic earnings per share	13,432,709	12,844,711
(b) Diluted earnings per share	\$000	\$000
Earnings used to calculate earnings per share	346	1,147
Weighted average number of ordinary shares used as the denominator in calculating Diluted earnings per share	24,617,812	24,609,210

10. CHANGES IN CONTROL OVER GROUP ENTITIES

During the year there were no changes in control over group entities.

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	26	Nil	Nil	Nil	Nil
Meredeen Investment Limited	21	Nil	Nil	Nil	Nil
Oceanic Processor Pty Limited	25	(91,276)	(\$16,877)	(74,399)	(\$16,877)

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

**12. NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2007****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICES**

Basis of preparation of the Financial Report

The general purpose financial report has been prepared in accordance with Accounting Standard, other authoritative pronouncement of the Australian Accounting Standards Board. Urgent Issues Group Interpretation and the Corporation Act, 2001.

The financial report covers the consolidated entity of Murchison Holdings Limited and controlled entities (hereafter referred as "MCH"). MCH is a listed public company incorporated and domiciled in Australia.

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

12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)****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

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.

**(a) Industry Segments
2007**

	Investments \$000	Stockbroking \$000	Telcom \$000	Sourcing \$000	Total \$000
Sales to customers outside the consolidated entity	6,179	893	988	517	8,577
Other revenue	1,644	241	9	49	1,943
Total operating revenue	7,823	1,134	997	566	10,520
Segment Profit / (Loss)	1,492	(551)	(1)	(113)	827
Unallocated revenues					
Unallocated expenses					
Profit (Loss) from ordinary activities before income tax	1,492	(551)	(1)	(113)	827
Segment assets					
Unallocated assets					
Total asset	11,201	7,475	77	411	19,164
Segment liabilities					
Unallocated liabilities					
Total liabilities	(3,978)	(1,263)	(32)	(168)	(5,441)
Depreciation and amortization			1	3	4

12. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
2. STATEMENT OF OPERATIONS BY SEGMENTS (Cont'd)**2006**

	Investments	Nominee Services	Stockbroking	Sourcing	Total
	\$000	\$000	\$000	\$000	\$000
Sales to customers outside the consolidated entity	3,279	-	993	1,542	5,814
Other revenue	1,734	-	505	-	2,239
Total operating revenue	5,013	-	1,498	1,542	8,053
Segment Profit / (Loss)	780	-	485	4	1,269
Unallocated revenues					-
Unallocated expenses					-
Profit (Loss) from ordinary activities before income tax					1,269
Segment assets	11,282	-	10,176		21,458
Unallocated assets					-
Total assets					
Segment liabilities	(3,884)	-	(4,134)		(8,018)
Unallocated liabilities					-
Total liabilities	(3,884)		(4,134)		(8,018)
Depreciation and amortization	-	-	7		7
Net cash outflow from operating activities					

(b) Geographical Segments**2007**

	Australia	Hong Kong	Total
	\$	\$	\$
Sales to customers outside the consolidated entity	2,189	6,388	8,577
Other revenue	410	1,533	1,943
Total operating revenue	2,599	7,921	10,520
Segment Profit / (Loss)	226	601	827
Profit (Loss) from ordinary activities before income tax			
Segment assets	10,723	8,441	19,164
Total assets			

2006

	Australia	Hong Kong	Total
	\$	\$	\$
Sales to customers outside the consolidated entity	-	5,814	5,814
Other revenue	1,734	505	2,239
Total operating revenue	1,734	6,319	8,053
Segment Profit / (Loss)	784	485	1,269
Profit (Loss) from ordinary activities before income tax	784	485	1,269
Segment assets	10,531	10,927	21,458
Total assets	10,531	10,927	21,458

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 : 31 August 2007

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