

Australia Samly Holdings Group Limited

ABN 16 164 307 975

APPENDIX 15-2

HALF YEARLY / PRELIMINARY FINAL REPORT

(NOT EQUITY ACCOUNTED)

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HALF YEARLY/PRELIMINARY FINAL REPORT

Listee: Australia Samly Holdings Group Limited					
ACN: 164 307 975					
Half yearly:	No	Preliminary final	Yes	Financial year ended	30 June 2014

Equity accounted results for announcement to the market

Extracts from this report for announcement to the market (see note 1).
\$A'000

Sales (or equivalent operating) revenue (<i>item 1.1</i>)	Up 45%	to	\$12,687
Abnormal items after tax attributable to members (<i>item 2.5</i>)	gain (loss) of		Nil
Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (<i>item 1.26</i>)	Down 94%	To	\$65
Operating profit (loss) after tax attributable to members (<i>item 1.10</i>)	Down 94%	To	\$65
Extraordinary items after tax attributable to members (<i>item 1.13</i>)	gain (loss) of		Nil
Operating profit (loss) and extraordinary items after tax attributable to members (<i>item 1.16</i>)	Down 94%	to	\$65
Dividends (distributions)	Amount per security		Franked amount per security at 30% tax
Final dividend (<i>Preliminary final report only - item 14.4</i>)	Nil		Nil
Interim dividend (<i>Half yearly report only - item 14.6</i>)	Nil	¢	Nil
Previous corresponding period (<i>Preliminary final report - item 14.5, half yearly report - item 14.6</i>)	Nil	¢	Nil

Record date for determining entitlements to the **dividend**, (in the case of a **managed investment scheme**, prescribed interest scheme or similar scheme, distribution) (*see item 14.2*)

N/A

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Consolidated profit and loss account

		Current period - \$A'000	Previous corresponding period - \$A'000
1.1	Sales (or equivalent operating) revenue	12,687	8,722
1.2	Other revenue	1	4
1.3	Other revenue	-	-
1.4	Operating profit (loss) before abnormal items and tax	311	1,441
1.5	Abnormal items before tax (detail in item 2.4)	-	-
1.6	Operating profit (loss) before tax (items 1.4 + 1.5)	311	1,441
1.7	Less tax	246	356
1.8	Operating profit (loss) after tax but before outside equity interests	65	1,085
1.9	Less outside equity interests	-	-
1.10	Operating profit (loss) after tax attributable to members	65	1,085
1.11	Extraordinary items after tax (detail in item 2.6)	-	-
1.12	Less outside equity interests	-	-
1.13	Extraordinary items after tax attributable to members	-	-
1.14	Total operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)	65	1,085
1.15	Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 + 1.12)	65	1,085

	Current period - \$A'000	Previous corresponding period - \$A'000
1.16 Operating profit (loss) and extraordinary items after tax attributable to members (items 1. 10 + 1.13)	65	1,085
1.17 Retained profits (accumulated losses) at beginning of financial period	1,424	448
1.18 If change in accounting policy as set AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, adjustments as required by that provision (include brief description)	N/A	N/A
1.19 Aggregate of amounts transferred from reserves	-	-
1.20 Total available for appropriation	1,489	1,533
1.21 Dividends provided for or paid	-	-
1.22 Aggregate of amounts transferred to reserves	46	109
1.23 Retained profits (accumulated losses) at end of financial period	1,443	1,424

Profit restated to exclude amortisation of goodwill

	Current period -\$A'000	Previous corresponding period - \$A'000
1.24 Operating profit (loss) after tax before outside equity interests (items 1- 8) and amortisation of goodwill	65	1,085
1.25 Less (plus) outside equity interests	-	-
1.26 Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	65	1,085

Intangible, abnormal and extraordinary items

		Consolidated - current period			
		Before tax \$A'000	Related tax \$A'000	Related outside equity interests \$A'000	Amount (after tax) attributable to members \$A'000
2.1	Amortisation of goodwill	-	-	-	-
2.2	Amortisation of other intangibles	81	-	-	81
2.3	Total amortisation of intangibles	81	-	-	81
2.4	Abnormal items	-	-	-	-
2.5	Total abnormal items	-	-	-	-
2.6	Extraordinary items	-	-	-	-
2.7	Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)		Current year -\$A'000	Previous year - \$A'000
		3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly report)
3.2	Consolidated operating profit (loss) after tax attributable to members for the <i>2nd</i> half year	(337)	623

Consolidated balance sheet

(See note 5)

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000	
Current assets				
4.1	Cash	5,739	2,324	3,540
4.2	Receivables	1,809	623	1,089
4.3	Investments	-	-	-
4.4	Inventories	2,520	2,706	1,484
4.5	Prepayments	867	460	969
	Other	357	135	100
4.6	Total current assets	11,292	6,248	7,182
Non-current assets				
4.7	Receivables	-	-	-
4.8	Investments	-	-	-
4.9	Inventories	-	-	-
4.10	Development properties	-	-	-
4.11	Other property, plant and equipment (net)	4,083	4,394	4,709
4.12	Intangibles (net)	582	640	648
4.13	Deferred tax asset	149	166	147
	Other	63	120	118
4.14	Total non-current assets	4,877	5,320	5,622
4.15	Total assets	16,169	11,568	12,804

Current assets		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current liabilities				
4.16	Accounts payable	2,638	846	1,036
4.17	Borrowings	2,704	661	553
4.18	Provisions	179	140	189
4.19	Deferred revenue	2,173	2,637	2,588
	Income and other taxes	1,455	1,891	2,241
	Other	2	2	2
4.20	Total current liabilities	9,151	6,177	6,609
Non-current liabilities				
4.21	Accounts payable	-	1,384	888
4.22	Borrowings	1,723	2,134	2,950
4.23	Provisions	-	-	-
4.24	Other (provide details if material)	-	-	-
4.25	Total non-current liabilities	1,723	3,518	3,838
4.26	Total liabilities	10,874	9,695	10,447
4.27	Net assets	5,295	1,873	2,357

Consolidated balance sheet continued

	Equity			
4.28	Capital	3,427	34	4
4.29	Reserves	425	415	566
4.30	Retained profits (accumulated losses)	1,443	1,424	1,787
4.31	Equity attributable to members of the parent entity	5,295	1,873	2,357
4.32	Outside equity interests in controlled entities	-	-	-
4.33	Total equity	5,180	1,873	2,357
4.34	Preference capital and related premium included as part of 4.32	-	-	-

Development properties

		Current period - \$A'000	Previous corresponding period - \$A'000
5.1	Opening balance	N/A	N/A
5.2	Expenditure incurred during current period	N/A	N/A
5.3	Expenditure written off during current period	N/A	N/A
5.4	Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
5.5	Closing balance as shown in the consolidated balance sheet (item 4.1 1)	N/A	N/A

Consolidated statement of cash flows

(See note 6)

	Current period - \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
6.1 Receipts from customers	10,792	11,733
6.2 Payments to suppliers and employees	(10,582)	(10,469)
6.3 Dividends received	-	-
6.4 Interest and other items of similar nature received	16	2
6.5 Interest and other costs of finance paid	-	-
6.6 Income taxes paid	(427)	(372)
6.7 Other (Insurance receipt)	-	188
6.8 Net operating cash flows	(201)	1,082
Cash flows related to investing activities		
6.9 Payment for purchases of property, plant and equipment	(106)	(4,223)
6.10 Proceeds from sale of property, plant and equipment	-	-
6.11 Payment for purchases of equity investments	-	-
6.12 Proceeds from sale of equity investments	-	-
6.13 Loans to other entities	-	-
6.14 Loans repaid by other entities	-	-
6.15 Other (provide details if material)	-	-
6.16 Net investing cash flows	(106)	(4,223)

	Current period - \$A'000	Previous corresponding period - \$A'000
Cash flows related to financing activities		
6.17 Proceeds from issues of securities (shares, options, etc.)	3,394	2,258
6.18 Proceeds from borrowings	2,119	2,795
6.19 Repayment of borrowings	(1,800)	(349)
6.20 Dividends paid	-	-
6.21 Other (provide details if material)	-	-
6.22 Net financing cash flows	3,713	4,704
Net increase (decrease) in cash held	3,406	1,563
6.23 Cash at beginning of period	2,324	585
6.24 Exchange rate adjustments to item 6.23	9	176
6.25 Cash at end of period	5,739	2,324

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount below.

None

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current period - \$A'000	Previous corresponding period- \$A'000
7.1	Cash on hand and at bank	5,739	2,324
7.2	Deposits at call	-	-
7.3	Bank overdraft	-	-
7.4	Other (provide details)	-	-
7.5	Total cash at end of period (item 6.25)	5,739	2,324

Ratios

	Current period	Previous corresponding Period
Profit before abnormals and tax / sales		
8.1 Consolidated operating profit (loss) before abnormal items and tax (item 1.4) as a percentage of sales revenue (item 1.1)	2.45%	16.52%
Profit after tax /equity interests		
8.2 Consolidated operating profit (loss) after tax attributable to members (item 1. 10) as a percentage of equity (similarly attributable) at the end of the period (item 4.32)	1.23%	57.90%

Earnings per security (EPS)

	Current period	Previous corresponding period
9.1 Calculation of basic, and fully diluted, EPS in accordance with <i>AASB 107 Earnings per Share</i>		
(a) Basic EPS	0.19c	3.62c
(b) Diluted EPS (if materially different from (a))	0.19c	3.62c

NTA backing

	Current period	Previous corresponding period
(see note 6)		
10.1 Net tangible asset backing per ordinary security	13.19c	3.56c

Details of specific receipts/outlays, revenues/ expenses

	Current period - \$A'000	Previous corresponding_ period- \$A'000
11.1 Interest revenue included in determining item 1.4	16	5
11.2 Interest revenue included in item 11.1 but not yet received (if material)	-	-
11.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	94	1
11.4 Interest costs excluded from item 11.3 and capitalised in asset values (if material)	-	-
11.5 Outlays (except those arising from the acquisition of an existing business) capitalised in intangibles (if material)	-	599
11.6 Depreciation and amortisation (excluding amortisation of intangibles)	308	55

Control gained over entities having material effect

(See note 8)

12.1 Name of entity (or group of entities)		None
12.2 Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired		N/A
12.3 Date from which such profit has been calculated		N/A
12.4 Operating profit (loss) and extraordinary items after tax of the entity (or group of entity) for the whole of the previous corresponding period		N/A

Loss of control of entities having material effect

(See note 8)

13.1	Name of entity (or group of entities)	None
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group of entities) for the current period to the date of loss of control	N/A
13.3	Date to which the profit (loss) in item 13.2 has been calculated	N/A
13.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group of entities) while controlled during the whole of the previous corresponding period	N/A
13.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest, leading to loss of control.	N/A

Reports for industry and geographical segments

See attached

Dividends (in the case of a trust, distributions)

14.1	Date the dividend (distribution) is payable	N/A
14.2	Record date to determine entitlements to the dividend (distribution) (ie. on the basis of registrable transfers received by 5.00 pm	N/A
14.3	If it is a final dividend , has it been declared? (Preliminary final report only)	N/A

Amount per Security

		Amount per security	Franked amount per security at 36% tax	Amount per security of foreign source dividend
14.4	<i>(Preliminary final report only)</i> Final dividend: Current year	0¢	0¢	0¢
14.5	Previous year	0¢	0¢	0¢
14.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	0¢	0¢	0¢
14.7	Previous year	0¢	0¢	0¢

Total Dividend (Distribution) per Security (Interim plus Final)

(Preliminary final report only)

	Current year	Previous year
14.8 Ordinary securities	¢	¢
14.9 Preference securities	¢	¢

Half Yearly Report - Interim Dividend (Distribution) on all securities or Preliminary Final Report -

Final Dividend (Distribution) on all securities

	Current period - \$A'000	Previous corresponding period - \$A'000
14.10 Ordinary securities	Nil	Nil
14.11 Preference securities	Nil	Nil
14.12 Total	Nil	Nil

The **dividend** or distribution plans shown below are in operation.

None

The last date(s) for receipt of election notices for the **dividend** or distribution plans

N/A

Any other disclosures in relation to **dividends** (distributions)

No dividends paid or declared during the current or previous financial year

Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate note. See AASB 1016: Investments in Associates.

Investments in associated entities

	Current period - \$A'000	Previous corresponding period- \$A'000
15.1 Statutory carrying value of investments in associated entities (SCV)	N/A	N/A
15.2 Share of associated entities' retained profits and reserves not included in SCV:		
Retained profits	N/A	N/A
Reserves	N/A	N/A
15.3 Equity carrying value of investments	N/A	N/A

Material interests in entities which are not controlled entities

The economic entity has no interests (that is material to it) in the any other entities.

Issued and quoted securities at end of current period

Category of securities				Number issued	Number quoted	Par value (cents)	Paid-up value (cents)
17.1	Preference securities (description)			Nil	Nil	N/A	N/A
17.2	Issued during current period			Nil	Nil	N/A	N/A
17.3	Ordinary securities			34,636,500	34,636,500	N/A	100c
17.4	Issued during current period			4,636,500	4,636,500	N/A	100c
17.5	Convertible fixed interest securities (description and conversion factor)			Nil	Nil	N/A	N/A
17.6	Issued during current period			Nil	Nil	N/A	N/A
17.7	Options (description and conversion factor)			Nil	Nil	Exercise price	Expiry date
				Nil	Nil	N/A	N/A
17.8	Issued during current period			Nil	Nil	N/A	N/A
17.9	Exercised during current period			Nil	Nil	N/A	N/A
17.10	Expired during current period			Nil	Nil	N/A	N/A
17.11	Debentures (totals only)			Nil	Nil		
17.12	Unsecured notes (totals only)			Nil	Nil		

Comments by directors

Comments on the following matters are required by **APX** or, in relation to the half yearly report, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the **Act**) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.

Basis of accounts preparation

If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the **Listing Rules** and AASB 134: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the **listee** during the period. [Delete if preliminary final statement.]

Material factors affecting the revenues and expenses of the economic **listee** for the current period

The company's operations have continued to grow during the year due to increased investment from funds derived from borrowings in previous periods and equity invested in the Australian parent entity upon completion of the Initial Public Offering ("IPO") of the company's shares

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

None

Franking credits available and prospects for paying fully or partly franked **dividends** for at least the next year

Nil

Changes in accounting policies since the last annual report are disclosed as follows

(Disclose changes in the half yearly report in accordance with AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final report in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors.)

No changes

Additional disclosure for trusts

18.1	Number of units held by the management company or a related party of it	N/A
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18.2	<p>A statement of the fees and commissions payable to the management company.</p> <p>Identify:</p> <ul style="list-style-type: none"> ▪ initial service charges ▪ management fees ▪ other fees 	N/A
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Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	B412, Shahe Century Square, Huaqiaochen, Nanshan District, Shenzhen, Guandong, China
Date	29 September 2014
Time	10 a.m. (Shenzhen Time)
Approximate date the annual report will be available	28 September 2014

Compliance statement

1 This report has been prepared under accounting policies which comply with accounting standards as defined in the **Act** or other standards acceptable to **APX** (see note 13).

Identify other standards used

2 This report, and the financial statements prepared under the **Act** (if separate), use the same accounting policies.

3 This report does give a true and fair view of the matters disclosed (see note 2).

4 This report is based on financial statements to which one of the following applies. *(Tick one)*

The financial statements have been audited

The financial statements have been subject to review

The financial statements are in the process of being audited or subject to review

The financial statements have *not* yet been audited or reviewed

5 If the audit report or review by the auditor is not attached, details of any qualifications are will follow immediately they are available.

6 The entity has a formally constituted audit committee.

ATTACHMENT 1 - SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board has determined that the group has three reportable segments.

Shenzhen Vitality Bio-health Technology Jiangsu Co., Ltd
 Shenzhen Shenxiantang Technology Development Co., Ltd
 Shenzhen Vitality Bio-health Technology Co., Ltd

Production companies:

- Shenzhen Vitality Bio-health Technology Co., Ltd the Group's main manufacturing entity since 2011.
- Shenzhen Vitality Bio-health Technology Jiangsu Co., Ltd has the manufacturing factory constructed in 2013.
- Shenzhen Shenxiantang Technology Development Co., Ltd's transactions are limited in 2013. The entity purchased finished goods from Shenzhen Vitality Bio-health Technology Co., Ltd and sold to retailers.

Shenzhen New Life Biological Technology Co., Ltd

New life: The entity purchases finished goods from the manufacturing entities and sells to retailers.

Shenzhen Samly Technology Development Co., Ltd

Technology: The entity was the main manufacturing entity before 2011. After Bio-health Technology became the main manufacturing entity in 2011, the entity purchases finished goods from the manufacturing entities and sells to retailers.

30 June 2014	Technology	New life	Production companies	Unallocated	Total
	\$000s	\$000s	\$000s	\$000s	\$000s
Segment revenue	1,406	165	11,116	0	12,687
Segment result	117	(22)	93	(124)	65
Segment assets	191	37	11,808	4,132	16,169
Segment liabilities	591	118	7,740	2,423	10,872

30 June 2013	Technology	New life	Production companies	Unallocated	Total
	\$000s	\$000s	\$000s	\$000s	\$000s
Segment revenue	762	126	7,838	-	8,726
Segment result	(119)	3	1,199	-	1,085
Segment assets	1,094	112	10,326	-	11,539
Segment liabilities	766	134	5,991	-	9,695