

# **Australia Samly Holdings Group Limited**

**ABN 16 164 307 975**

## **APPENDIX 15-2**

### **ANNUAL FINAL REPORT**

## APPENDIX 15-2

### FULL YEAR INDICATIVE FINANCIAL REPORT

*NOTE: The Full Year Indicative Report forms a part of both the **Sydney Stock Exchange** continuous disclosure framework and the **Sydney Stock Exchange** periodic reporting framework. It is intended to provide **listee's** with a mechanism to provide (or confirm) earnings guidance to the **Sydney Stock Exchange market** of the expected results of the **listee**, subject to audit confirmation. It is intended to be **disclosed** as soon as the **listee** has a high degree of confidence in the accuracy of the data. If the audited results set out in the annual **financial statements** and **annual report** varies materially from the information contained in this Full Year Indicative Financial Report, it would be expected that the **listee** will provide commentary on the material variation.*

*The information required by items 1 and 2 must be placed at the beginning of the report. The information for items 3 to 11 can be presented in the format that is the most clear and helpful to users (eg, combined with the body of the report, combined with notes to the accounts, or set out separately).*

The following information must be **disclosed** to **Sydney Stock Exchange** under **listing rule 15.1**..

1. Reporting Period: Year ended 30 June 2017  
Comparative Period: Year ended 30 June 2016
2. Key information in relation to the following. This information must be identified as “**Results Summary**”.

- 2.1 The amount and percentage change up or down from the previous corresponding period of revenue from ordinary activities.

<b>Revenue</b> from ordinary activities	Down 37.48%	to	\$8,904,323
---	-------------	----	-------------

- 2.2 The amount and percentage change up or down from the previous corresponding period of profit (loss) from ordinary activities after tax attributable to members.

<b>Loss</b> from ordinary activities after tax attributable to members	NA	To	(\$1,363,787)
--	----	----	---------------

- 2.3 The amount and percentage change up or down from the previous corresponding period of net profit (loss) for the period attributable to members.

<b>Net Loss</b> from ordinary activities after tax attributable to members	NA	To	(\$1,363,787)
--	----	----	---------------

\* - No change of percentage is shown, as required the attached *note 1 “Results Summary”* - “Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down”.

- 2.4 The date, quantum of, and any change from, the most recently **disclosed** earnings guidance for the reporting period provided by the **listee**.

*Note: Item 2.4 is intended to provide a mechanism for **listee's** to provide, or confirm, earnings guidance relating to forecast data/numbers that are specific to the **listee**. If a **listee** has not previously **disclosed** earnings guidance, please state “N/A”.*

On 28 April 2017 the Company provided Quarterly Market Update for the 3 months ended 31 March 2017: sales revenue of RMB9.106 million and after tax loss of RMB1.7 million.

On 31 July 2017 the Company provided Quarterly Market Update for the 3 months ended 30 June 2017: sales revenue of RMB13,723 million and after tax profit of RMB 1.33 million.

The variance between the actual results and the earnings guidance is due to a number of factors:

- I. Forecasted sales revenue for the second half year of the financial year was used in the earnings guidance;
- II. Different foreign exchange rates are used in translating foreign currency balances;
- III. Adjustments made by management as result of the annual audit.

2.5 The amount per security and franked amount per security of final and interim dividends or a statement that it is not proposed to pay dividends.

Not applicable. No dividend is paid or proposed by the Company.

2.6 The **record date** for determining entitlements to the dividends (if any).

Not applicable. No dividend is paid or proposed by the Company.

2.7 A brief explanation of any of the figures in 2.1 to 2.4 required to enable those figures to be understood.

*The net loss after tax for the year ended 30 June 2017 increased by \$1,472,803. The increase in net loss is mainly due to the reduction of sales revenue and reduction in government grant income. Additionally, gross profit margin decreased by 8% to 43% from 51% in the previous corresponding period. Overheads excluding cost of sales decreased by \$2,019,100 from \$7,519,149 in the previous corresponding period. Net loss before income tax is \$1,339,086, which is \$1,819,648 lower than the previous corresponding period (profit before tax \$480,562). Income tax expense decreased to \$24,701 from \$371,546 in the previous corresponding period.*

3. A statement of comprehensive income together with notes to the statement, prepared in accordance with listing rule 1.15. Refer to attachment for a copy of statement of profit or loss and other comprehensive income.

4. A statement of financial position together with notes to the statement. The statement of financial position may be condensed but must report as line items each material class of asset, liability, and equity element with appropriate sub-totals.

Refer to attachment for a copy of statement of financial position.

5. A statement of cash flows together with notes to the statement. The statement of cash flows may be condensed but must report as line items each material form of cash flow, and comply with **listing rule 1.15**.

Refer to attachment for a copy of statement of cash flows.

6. A statement of retained earnings, or a statement of changes in equity, showing movements.

Refer to attachment for a copy of statement of changes in equity.

7. 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.

Not applicable. There have been no dividend payments or distributions made by the Company.

8. 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.

Not applicable. The Company has not made any dividend payments or distributions.

9. Net tangible assets per **security** with the comparative figure for the previous corresponding period.

	Current period	Previous corresponding period (30 June 2016)
Net tangible asset backing per <b>ordinary security</b>	0.04c	4.69c

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**10.** Any other material information needed by an investor to make an informed assessment of the listee's financial performance and financial position, including information relating to any extraordinary items, material information relating to entities over which control has been gained or lost over the period or details of **ASSOCIATES AND JOINT VENTURE ENTITIES**.

*Note: In relation to associates and joint venture entities that are material to the understanding of information within this Appendix, information in relation to aggregate share of profits (losses) of those entities, details of contributions to net profit for each of these entities, and comparative figures for the previous corresponding period is also required.*

There is no other information required that is not included in other announcements made to the SSX already.

**11.** A commentary on the results for the period. The commentary must be sufficient for an investor to be able to compare the information presented with equivalent information from previous periods. The commentary must include any material information needed by an investor to make an informed assessment of the **listee's** activities and results, which would include, but not be limited to, information relating to the following:

**11.1** The indicative earnings per security and the nature of any dilution;

Loss per share for the year is 3.94 cent (2016: 0.31c)

**11.2** Returns to shareholders, including distributions and buy backs;

Not applicable.

**11.3** Material operating performance features;

Please refer to the commentary provided in 2.7.

**11.4** Segment results that are material to an understanding of the **listee** business as a whole;

Refer to attachment for a copy of segment results.

**11.5** Trends in performance; and

Please refer to the commentary provided in 2.7.

**11.6** Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the affect is unable to be quantified.

Not applicable.

**ANNUAL MEETING (IF KNOWN)**

The annual meeting will be held as follows:

Place	NA
Date	NA
Time	NA
Approximate date the annual report will be available	to be advised
Approximate date the audited <b>financial statements</b> will be available	to be advised

**COMPLIANCE STATEMENT**

1 This report has been prepared under accounting policies which comply with the following accounting standards (see **listing rule 1.15**).

Identify standards used 

Australian Accounting Standards
---------------------------------

2 This report and the **financial statements** on which it is based use the same accounting policies.

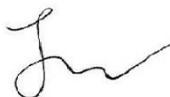
3 This report does/does not (*delete one*) give a true and fair view of the matters disclosed (see note 2).

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

- |   |  |
|---|--|
| <input type="checkbox"/> The <b>financial statements</b> have <i>not</i> yet been audited or reviewed | <input checked="" type="checkbox"/> The <b>financial statements</b> are in the process of being audited or subject to review |
| <input type="checkbox"/> The <b>financial statements</b> have been subject to review                  | <input type="checkbox"/> The <b>financial statements</b> have been audited   |

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

5 The entity has/does not have (*delete one*) a formally constituted audit committee.



Sign here: .....  
(Director/Company secretary)

Date: 30 August 2017

Print name: Jiajun Li

## NOTES

- Note 1:* The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in a note to this report.
- Note 2:* **True and fair view**  
If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the listee must attach a note providing additional information and explanations to give a true and fair view.
- Note 3:* **Comparative figures**  
Comparative figures are the unadjusted figures from the previous corresponding period. However, if there is a lack of comparability, a note explaining the position should be attached.
- Note 4:* **Additional information**  
A listee may **disclose** additional information about any matter, and must do so if the information is material. The information may be an expansion of the material contained in the **Appendix 15-2**.

**Australia Samly Holdings Group Limited**  
**Statement of financial position**  
**As at 30 June 2017**

	<b>Consolidated</b>	
	<b>30 June 2017 \$</b>	<b>30 June 2016 \$</b>
<b>Revenue</b>	8,904,323	14,242,592
Other income	300,226	681,403
<b>Expenses</b>		
Cost of sales	(5,043,587)	(6,924,284)
Administration	(1,968,932)	(2,186,290)
Sales expenses	(2,417,623)	(3,570,059)
Marketing	(324,997)	(1,008,001)
Other expenses	(356,154)	(349,768)
Finance costs	(432,343)	(405,031)
<b>Profit/(loss) before income tax expense</b>	<u>(1,339,087)</u>	480,562
Income tax expense	<u>(24,700)</u>	<u>(371,546)</u>
<b>Profit/(loss) after income tax expense for the year attributable to the owners of Australia Samly Holdings Group Limited</b>	<u>(1,363,787)</u>	109,016

**Other comprehensive income**

*Items that may be reclassified subsequently to profit or loss*

Foreign currency translation (89,344) (132,128)

Other comprehensive income for the year, net of tax (89,344) (132,128)

**Total comprehensive income for the year attributable to the owners of Australia Samly Holdings Group Limited**

(1,453,131) (23,112)

**Cents**

**Cents**

Basic (loss)/earnings per share (3.94) 0.31

Diluted (loss)/earnings per share (3.94) 0.31

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Australia Samly Holdings Group Limited**  
**Statement of financial position**  
**As at 30 June 2017**

	<b>Consolidated</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,287,396	2,896,548
Trade and other receivables	3,359,860	3,559,561
Inventories	1,643,278	1,748,676
Other assets	329,026	410,032
<b>Total current assets</b>	<u>6,619,560</u>	<u>8,614,817</u>
<b>Non-current assets</b>		
Property, plant and equipment	6,630,347	4,042,821
Intangibles	834,802	677,567
Deferred tax	82,276	53,364
Other assets	16,791	32,348
<b>Total non-current assets</b>	<u>7,564,216</u>	<u>4,806,100</u>
<b>Total assets</b>	<u>14,183,776</u>	<u>13,420,917</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	4,551,352	2,246,006
Borrowings	7,715,214	6,833,443
Income tax	505,364	547,958
Employee benefits	185,049	216,841
Other liabilities	377,978	1,274,719
<b>Total current liabilities</b>	<u>13,334,957</u>	<u>11,118,966</u>
<b>Total liabilities</b>	<u>13,334,957</u>	<u>11,118,966</u>
<b>Net assets</b>	<u>848,820</u>	<u>2,301,951</u>
<b>Equity</b>		
Issued capital	4,095,429	4,095,429
Reserves	1,328,848	1,415,322
Accumulated loss	<u>(4,575,457)</u>	<u>(3,208,800)</u>
<b>Total equity</b>	<u>848,820</u>	<u>2,301,951</u>

**Australia Samly Holdings Group Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2017**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated loss \$</b>	<b>Surplus reserve \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	4,095,429	1,202,239	(3,215,958)	243,353	2,325,063
Loss after income tax expense for the year	-	-	109,016	-	109,016
Other comprehensive income for the year, net of tax	-	(132,128)	-	-	(132,128)
Total comprehensive income for the year	-	(132,128)	109,016	-	(23,112)
<i>Transactions with owners in their capacity as owners:</i>					
Transfer to surplus reserve	-	-	(101,858)	101,858	-
Balance at 30 June 2016	<u>4,095,429</u>	<u>1,070,111</u>	<u>(3,208,800)</u>	<u>345,211</u>	<u>2,301,951</u>

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated loss \$</b>	<b>Surplus reserve \$</b>	<b>Total equity \$</b>
Balance at 1 July 2016	4,095,429	1,070,111	(3,208,800)	345,211	2,301,951
Profit after income tax expense for the year	-	-	(1,363,787)	-	(1,363,787)
Other comprehensive income for the year, net of tax	-	(89,344)	-	-	(89,344)
Total comprehensive income for the year	-	(89,344)	(1,363,787)	-	(1,453,131)
<i>Transactions with owners in their capacity as owners:</i>					
Transfer to surplus reserve	-	-	(2,870)	2,870	-
Balance at 30 June 2017	<u>4,095,429</u>	<u>980,767</u>	<u>(4,575,457)</u>	<u>348,081</u>	<u>848,820</u>

**Australia Samly Holdings Group Limited**  
**Statement of cash flows**  
**30 June 2017**

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	9,313,356	13,975,537
Payments to suppliers (inclusive of GST)	(10,290,160)	(13,641,400)
Receipts of government grants	300,226	663,409
Interest received	2,005	3,869
Interest paid	(419,289)	(402,369)
Income taxes paid	(99,329)	(387,037)
	<u>(1,193,191)</u>	<u>212,009</u>
Net cash provided by/(used in) operating activities		
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,506,342)	(66,849)
Payments for intangibles	(254,229)	-
Proceeds from sale of property, plant and equipment	190,964	113,747
	<u>(1,569,607)</u>	<u>46,898</u>
Net cash provided by/(used in) investing activities		
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	7,736,022	7,164,426
Repayment of borrowings	(6,500,747)	(5,127,516)
	<u>1,235,275</u>	<u>2,036,910</u>
Net cash provided by/(used in) financing activities		
Net increase/(decrease) in cash and cash equivalents	(1,527,523)	2,295,817
Cash and cash equivalents at the beginning of the financial year	2,896,548	748,385
Effects of exchange rate changes on cash and cash equivalents	(81,629)	(147,654)
	<u>1,287,396</u>	<u>2,896,548</u>
Cash and cash equivalents at the end of the financial year		748

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Australia Samly Holdings Group Limited**  
**Appendix 15-2**  
**For the year ended 30 June 2017**

*Operating segment information*

<b>Consolidated - 2017</b>	Production \$	New Life \$	Technology \$	Unallocated \$	Total \$
<b>Revenue</b>					
Sales to external customers	8,396,936	17,315	488,067	-	8,902,318
Interest received	2,005	-	-	-	2,005
Other income	299,668	179	379	-	300,226
<b>Total revenue</b>	<u>8,698,609</u>	<u>17,494</u>	<u>488,446</u>	<u>-</u>	<u>9,204,549</u>
<b>EBITDA</b>					
Depreciation and amortisation	(211,826)	(16,607)	(2,083)	-	(230,516)
Interest paid	(401,394)		(17,895)	-	(419,289)
<b>Segment result</b>					
<b>Profit/(loss) before income tax expense</b>	(1,103,237)	(166,481)	55,597	(124,966)	(1,339,087)
Income tax expense					(24,700)
<b>Profit after income tax expense</b>					<u>(1,363,787)</u>
<b>Assets</b>					
Segment assets	13,766,121	110,318	240,438	66,900	14,183,777
<b>Total assets</b>					<u>14,183,777</u>
<b>Liabilities</b>					
Segment liabilities	12,230,586	33,641	989,910	80,820	13,334,957
<b>Total liabilities</b>					<u>13,334,957</u>
<b>Consolidated - 2016</b>	Production \$	New Life \$	Technology \$	Unallocated \$	Total \$
<b>Revenue</b>					
Sales to external customers	12,525,041	111,673	1,602,009	-	14,238,723
Interest received	3,358	68	443	-	3,869
<b>Total revenue</b>	<u>12,528,399</u>	<u>111,741</u>	<u>1,602,452</u>	<u>-</u>	<u>14,242,592</u>
<b>EBITDA</b>					
Depreciation and amortisation	589,547	7,105	2,286	-	598,938
Interest paid	402,369	-	-	-	402,369
<b>Segment result</b>					
<b>Profit/(loss) before income tax expense</b>	1,383,478	(665,190)	(79,348)	(158,378)	480,562
Income tax expense					(371,546)
<b>Profit after income tax expense</b>					<u>109,016</u>
<b>Assets</b>					
Segment assets	12,941,357	147,169	272,859	59,532	13,420,917
<b>Total assets</b>					<u>13,420,917</u>
<b>Liabilities</b>					
Segment liabilities	9,938,650	53,837	933,072	193,407	11,118,966
<b>Total liabilities</b>					<u>11,118,966</u>