

Public Holdings (Australia) Limited
A.B.N. 65 000 332 918
And Controlled Entities

Appendix 4E
Preliminary Final Report for the year ended
31 December 2014

Appendix 4E (rule 4.3A)
For the Year Ended 31 December 2014

1. Reporting period: twelve months ended 31 December 2014
Previous corresponding period: twelve months ended 31 December 2013

2. Results for announcement to the market:

\$'000

- 2.1 Revenue from ordinary activities up 41% to: 327
2.2 Profit (Loss) from ordinary activities after tax attributable to members up by 150% from a loss of \$47,500 in 2013 to a profit of: 23

- 2.3 Net Profit (Net Loss) from ordinary activities after tax attributable to members up by 150% from a loss of \$47,500 in 2013 to a profit of: 23

- 2.4 It is proposed not to pay dividends for the year ended 31 December 2014

- 2.5 Record date for entitlement to dividends. No dividends proposed therefore not applicable.

- 2.6 Explanation of the figures in 2.1 to 2.4 necessary to enable the figures to be understood. Further information is set out in this report and the attachments to enable these figures to be understood.

3. Statement of Comprehensive Income together with notes. Refer attached .

4. Statement of Financial Position together with notes. Refer attached.

5. Statement of Cash Flows together with notes. Refer attached.

6. Statement of Changes in Equity. Refer attached.

- 7 - 8. Details of dividend payments and last date for receipt of election notice for participation in any dividend.

No dividends were paid or are proposed in relation to the year ended 31 December 2014.

9. **Net tangible assets per security:** **2014 Cents** **2013 Cents**
Net tangible assets per share: 0.01 0.10

10. Entities over which control has been gained or lost during the period. Refer to Note 11. Two of the non-operating subsidiaries of the Company were de-registered during the year.

11. The Company does not have an interest in associates or joint ventures.

12. Other significant information considered necessary for an investor to make an informed assessment of the entity's financial performance and financial position other than as provided in this report.

With the approval of shareholders obtained at the Company's General Meeting on 8 September 2014, the Company recently completed an equal capital return to its ordinary shareholders of \$995,563. The capital return was conducted as a precursor to the sale of the shares held by the Company's controlling shareholder and a change in the Company's Board and management. The new Board intends to actively investigate new business opportunities for the Company and, with this in mind, the capital return enabled shareholders to receive a return on their investment before the Company pursued any such new business opportunity. At the same General Meeting the shareholders approved a placement of Atlas Securities Pty Ltd (Atlas) existing PHA shares to clients of Peregrine Corporate Limited and election of three new Directors, Mr Bryan Frost, Mr Perter Chapman and Mr Clayton Dodd who all participated in purchasing shares sold by the major shareholder, Atlas.

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12. The Company has undertaken a non-renounceable pro-rata Rights Issue of 1 new share for every 1 share held at an issue price of 2 cents (\$0.02) each. This Rights Issue has raised \$299,580 before costs. The Prospectus for the Rights Issue lodged with ASX on 15 January 2015 sets out how the funds will be used. This includes capital to fund the anticipated costs associated with identifying and assessing new business opportunities and funding costs associated with the acquisition of a new business opportunity.

13. Public Holdings (Australia) Limited is not a foreign entity.

14. Commentary on the results for the period.

14.1	The earnings per security and the nature of any dilution aspects.	2014 Cents	2013 Cents
	Basic earnings (loss) per share	0.16	(0.32)
	Diluted earnings (loss) per share	0.16	(0.32)
	Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	14,979,000	14,979,000

14.2 Returns to shareholders: At a General Meeting of shareholders held on 8 September 2014, a resolution was passed approving a return of capital to shareholders of an amount equal to 85% of the Company's net assets on a pro-rata basis based on each ordinary shareholders' shareholding. This resulted in a return of capital of \$995,563.

14.3 Significant features of operating performance:

Prior to the General Meeting held on 8 September 2014, the Company was under the management of the previous Directors. Expenses for 2014 are similar to the prior year except for professional fees which increased due to costs associated with the General Meeting.

The new Board took control of the Company on 8 September 2014. Directors fees and salaries are no longer paid and costs have been contained and reduced.

14.4 Results of segments: The Company operates in one business and geographical segment.

14.5 Trends in performance: Revenue of the Company has been dependent on dividends, interest and profit on the realisation of shares. All financial assets have been sold to fund the return of capital to shareholders and for working capital.

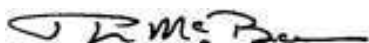
14.6 Any other factors which have affected the results in the period or which are likely to affect results in the future.

Factors affecting the results for the period are disclosed in this report. Factors likely to affect results in the future relate to the new Board investigating business opportunities for the Company.

15. This report is based on financial statements that are in the process of being audited.

16. & 17. The financial statements attached to Appendix 4E have not yet been audited. The Directors are not aware that the audit report will be subject to a modified opinion or emphasis of matter or other paragraph.

On behalf of the Board of Directors



David W McBain – Company Secretary

Dated: 23 February 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2014

	Note	31 Dec 2014 \$	31 Dec 2013 \$
Revenue	3	327,400	231,479
Administration expenses		(103,164)	(96,385)
Other expenses		<u>(200,774)</u>	<u>(182,594)</u>
Profit (Loss) before income tax		23,462	(47,500)
Income tax expense	4	-	-
Net Profit (Loss) for the year		<u>23,462</u>	<u>(47,500)</u>
Other Comprehensive Income			
Items that have been reclassified subsequently to profit or loss			
Realisation of financial assets revaluation reserve		(290,796)	(180,330)
Net Gain (Net Loss) on revaluation of available-for-sale financial assets		<u>(17,113)</u>	<u>166,785</u>
Other comprehensive (loss) / income for the year		<u>(307,909)</u>	<u>(13,545)</u>
Total comprehensive loss for the year attributable to owners of the company		<u>(284,447)</u>	<u>(61,045)</u>

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

As at 31 December 2014

	Note	31 Dec 2014 \$	31 Dec 2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	158,080	596,404
Trade and other receivables	6	5,858	38,411
TOTAL CURRENT ASSETS		<u>163,938</u>	<u>634,815</u>
NON-CURRENT ASSETS			
Financial assets	7	-	835,445
Plant and equipment	8	-	100
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>835,545</u>
TOTAL ASSETS		<u>163,938</u>	<u>1,470,360</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	12,416	38,828
TOTAL LIABILITIES		<u>12,416</u>	<u>38,828</u>
NET ASSETS		<u>151,522</u>	<u>1,431,532</u>
EQUITY			
Issued capital	10	876,812	1,872,375
Reserves		-	307,909
Accumulated losses		(725,290)	(748,752)
TOTAL EQUITY		<u>151,522</u>	<u>1,431,532</u>

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited and Controlled Entities

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Consolidated Statement of Changes in Equity For the Year Ended 31 December 2014

	Share Capital	Financial Assets Revaluation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 January 2013	1,872,375	321,454	(701,252)	1,492,577
Net loss attributable to the members of the Company	-	-	(47,500)	(47,500)
Financial assets revaluation reserve realised	-	(180,330)		(180,330)
Revaluation of available-for-sale financial assets	-	166,785	-	166,785
Balance at 31 December 2013	1,872,375	307,909	(748,752)	1,431,532
Net profit attributable to the shareholders of the Company	-	-	23,462	23,462
Financial assets revaluation reserve realised	-	(290,796)		(290,796)
Revaluation of available-for-sale financial assets		(17,113)		(17,113)
Return of share capital to shareholders - refer Note 10	(995,563)	-	-	(995,563)
Balance at 31 December 2014	876,812	-	(725,290)	151,522

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited and Controlled Entities

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**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2014**

	Note	31 Dec 2014 \$	31 Dec 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(355,573)	(288,211)
Dividends received		27,449	44,284
Interest received		9,155	13,866
Net GST received		19,466	17,737
Tax paid		-	(1,091)
		<hr/>	<hr/>
Net cash used in operating activities	13	<u>(299,503)</u>	<u>(213,415)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of financial instruments		<hr/> 818,331	<hr/> 349,932
Net cash provided by investing activities		<u>818,331</u>	<u>349,932</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments from related parties		38,411	2,317
Return of capital to shareholders		<hr/> (995,563)	<hr/> -
Net cash provided by/(used in) financing activities		<u>(957,152)</u>	<u>2,317</u>
Net increase/(decrease) in cash held		(438,324)	138,834
Cash and cash equivalents at 1 January		596,404	455,843
Effect of exchange rates on cash holdings in foreign currencies		<hr/> -	<hr/> 1,727
Cash and cash equivalents at 31 December	5	<u>158,080</u>	<u>596,404</u>

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2014

1. Summary of Significant Accounting Policies

The preliminary financial report is a financial report that has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASs) adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

It is recommended that this financial report be read in conjunction with the 2013 annual report, the June 2014 half year report and any public announcements made by Public Holdings (Australia) Limited during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Except for cash flow information, the consolidated 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. The financial report is presented in Australian dollars.

a) Principles of Consolidation

The consolidated financial statements at 31 December 2013 incorporate the assets, liabilities and results of entities controlled by Public Holdings (Australia) Limited at the end of the reporting period. A controlled entity is any entity over which Public Holdings (Australia) Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

b) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable statutory tax rate. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

c) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Public Holdings (Australia) Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2014

1. Summary of Significant Accounting Policies (Continued)

d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Group commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Available-for-sale financial assets

Available-for-sale financial assets comprise investments in the equity of other entities. They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

e) Foreign Currency Transactions and Balances

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

g) Goods and Services Tax (GST)

Revenues (with the exception of interest and dividends), expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Public Holdings (Australia) Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2014

	31 Dec 2014 \$	31 Dec 2013 \$
2 Parent Information (Extracts)		
Statement of Financial Position		
Assets		
Current assets	163,938	634,815
Non current assets		835,545
Total assets	<u>163,938</u>	<u>1,470,360</u>
Liabilities		
Current liabilities	12,416	38,828
Total liabilities	<u>12,416</u>	<u>38,828</u>
Net Assets	<u>151,522</u>	<u>1,431,532</u>
Equity		
Issued capital	876,812	1,872,375
Financial assets revaluation reserve	-	307,909
Accumulated losses	<u>(725,290)</u>	<u>(748,752)</u>
Total Equity	<u>151,522</u>	<u>1,431,532</u>
Statement of Profit and Other Comprehensive Income		
Profit for the year	23,462	1,826,835
Other comprehensive income	<u>(307,909)</u>	<u>(13,545)</u>
Total comprehensive income/(loss)	<u>(284,447)</u>	<u>1,813,290</u>

Guarantees

Public Holdings (Australia) Limited has not entered into any guarantees in the current or previous financial year.

Contingent liabilities

At 31 December 2014, Public Holdings (Australia) Limited has no contingent liabilities (2013: Nil).

Contractual commitments

At 31 December 2014, Public Holdings (Australia) Limited has not entered into any contractual commitments for the acquisition of property, plant and equipment (2013: Nil).

3 Revenue and Expenses

	Consolidated Group	
	31 Dec 2014 \$	31 Dec 2013 \$
The following revenue and expense items are relevant in explaining the financial performance:		
Revenue		
Net profit on disposal of financial instruments	290,796	171,602
Interest received - other persons and corporations	9,155	13,866
Dividends received - other corporations	27,449	44,284
Net foreign currency exchange gain	-	1,727
Total Revenue	<u>327,400</u>	<u>231,479</u>
Employee benefits expenses	(15,166)	(20,183)
Amounts received or due and receivable by the auditors:		
Auditing the financial statements	13,550	20,000

Public Holdings (Australia) Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2014

	31 Dec 2014 \$	31 Dec 2013 \$
4 Income Tax Expense		
The prima facie tax on profit (loss) is reconciled to the income tax as below:		
Prima facie income tax on profit (loss) at 30%:	7,038	(14,250)
Tax effect of:		
Non-taxable items	-	(49,720)
Non-allowable items	16,805	
Foreign currency exchange difference not subject to income tax	-	(585)
Rebateable fully franked dividends	(8,234)	5,645
Recoupment of prior year tax losses not previously brought to account	(15,609)	-
Tax loss not brought to account	-	58,910
Income tax attributable to entity	<u>-</u>	<u>-</u>
A deferred tax asset has not been recognised in respect of the carry forward of unused tax losses.		
The benefit for tax losses will only be obtained if:		
- the Consolidated Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;		
- the Consolidated Group continues to comply with the conditions for deductibility imposed by tax legislation; and		
- no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the losses.		
5 Cash and Cash Equivalents		
Cash at bank	<u>158,080</u>	<u>596,404</u>
6 Trade and Other Receivables - Current		
Trade and sundry debtors	5,858	-
Amounts due from a related party	-	38,411
	<u>5,858</u>	<u>38,411</u>
7 Financial Assets - Non-Current		
Available-for-sale financial assets		
Listed investments at fair value	<u>-</u>	<u>835,445</u>
Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.		
8 Plant and Equipment		
Office equipment - at cost	-	15,464
Accumulated depreciation	-	(15,364)
Total Plant and Equipment	<u>-</u>	<u>100</u>
Movements in Carrying Amounts:		
Balance at the beginning of the year	100	141
Depreciation expense	(100)	(41)
Carrying amount at the end of the year	<u>-</u>	<u>100</u>

Public Holdings (Australia) Limited and Controlled Entities

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Notes to the Financial Statements For the Year Ended 31 December 2014

	31 Dec 2014	31 Dec 2013
	\$	\$
9 Trade and Other Payables - Current		
Unsecured liabilities		
Trade and other creditors and accruals	12,416	38,828
	<hr/>	<hr/>
10 Issued Capital		
14,979,000 (2013: 14,979,000) fully paid ordinary shares	876,812	1,872,375
	<hr/>	<hr/>
At beginning of reporting period	1,872,375	1,872,375
Return of capital	(995,563)	-
At end of reporting period	876,812	1,872,375
	<hr/>	<hr/>
The earnings per security and the nature of any dilution aspects.	2014 Cents	2013 Cents
Basic earnings (loss) per share	0.16	(0.32)
Diluted earnings (loss) per share	0.16	(0.32)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	14,979,000	14,979,000

At a General Meeting of the Company held on 8 September 2014, a resolution was passed approving a return of capital to shareholders of an amount equal to 85% of the Company's net assets on a pro-rata basis based on each ordinary shareholders' shareholding.

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

11 Controlled Entities	Country of incorporation	Percentage Owned (%)	
		31 Dec 2014	31 Dec 2013
PHA Trading Pty Ltd	Aust	-	100
PHA Investments Pty Ltd	Aust	-	100

The two non-operating entities were deregistered on 20th February 2014.

12 Related Party Transactions		
Amounts due from Atlas Securities Pty Ltd	-	38,411
	<hr/>	<hr/>

Prior to the General Meeting held on 8 September 2014, the ultimate parent entity of Public Holdings (Australia) Limited was First Shanghai Investments Limited, a company incorporated in Hong Kong. At this General Meeting, Atlas Securities Pty Ltd sold its shares to clients of Peregrine Corporate.Limited. Management fees paid to First Shanghai Investments Limited's subsidiary, First Shanghai Management Services Limited, amounted to \$25,000 in 2014 (2013: \$50,000). There are no amounts owing to First Shanghai Management Services Limited at year end (2013:Nil).

13 Cash Flow Information	31 Dec 2014	31 Dec 2013
Reconciliation of cash flows from operations with net profit (loss) for the year	\$	\$
Net profit (loss) for the year	23,462	(47,500)
Non-cash flows in loss from ordinary activities:		
Depreciation & amortisation	100	41
Net profit on disposal of financial instruments	(290,795)	(171,602)
Effect of exchange differences	-	(1,727)
Changes in assets and liabilities:		
Decrease (increase) in trade and other receivables	(5,858)	117
Increase/(decrease) in trade and other payables	(26,412)	8,347
Decrease in current tax liabilities	-	(1,091)
Net cash used in operating activities	(299,503)	(213,415)
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Notes to the Financial Statements For the Year Ended 31 December 2014

14 Contingent Liabilities

The Company has no material contingent liabilities.

15 Events after balance sheet date

There have been no material matters arising since year end which have not been adequately disclosed in the financial report, except that the Company has undertaken a non-renounceable pro-rata Rights Issue of 1 new share for every 1 share held at an issue price of 2 cents (\$0.02) each. This Rights Issue has raised \$299,580 before costs. The Prospectus for the Rights Issue lodged with ASX on 15 January 2015 sets out how the funds will be used. This includes capital to fund the anticipated costs associated with identifying and assessing new business opportunities and funding costs associated with the acquisition of a new business opportunity.

16 Company Details

The registered office of the Company is at:

Level 1
123 Whitehorse Road
Balwyn, Victoria, 3103

The principal place of business of the Company is at:

Level 1
123 Whitehorse Road
Balwyn, Victoria, 3103