



Shenhua International Limited
ACN 134 436 730

Level 41, ANZ Tower
55 Collin Street
Melbourne, VIC 3000
Australia

Australian Securities Exchange Announcement

20th March 2015

The Manager
Companies Announcement Officer
Australian Securities Exchange
Electronic Lodgement

Dear Sir/Madam

Re: Appendix 4D and Financial Report for the Half Year Ended 31 December 2013

1. Appendix 4D
2. Interim Financial Report for the Half-Year ended 31 December 2013

On behalf of the board

Tao Xue

Company Secretary
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Name of Entity	Shenhua International Limited (SHU)
ABN	17 134 436 730
Reporting Period	Half Year ended 31st December 2014
Previous Corresponding Period	From 1st July 2014 to 31st December 2014

The following information is given to ASX under listing rule 4.2A.3.

- 1 The reporting period is the half year ended 31st December 2014.
- 2 Result for announcement to the market

	%	31-Dec-2014	31-Dec-2013
		\$000	\$000
2.1 Revenue from ordinary activities.	Down 15.75%	37,792	44,856
2.2 Profit from ordinary activities before tax attributable to members.	Down 52.26%	2,596	5,438
2.3 Net profit for the period attributable to members.	Down 49.99%	1,980	3,959

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

No dividend has been declared in connection with the half year ended 31 December 2014.

During the half year period ended 31 December 2014, an unfranked dividend of \$0.015 per share was paid in respect of the period ended 30 June 2014.

2.5 The record date for determining entitlements to the dividends (if any)

N/A

2.6 A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.

The main causes were the increasing domestic labour cost and unstable political situation in parts of our sales territory.

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

	31-Dec-2014	31-Dec-2013
	Cents per share	Cents per share
Net tangible assets per security in cents	67.83	58.05

4 Details of entities over which control has been gained or lost during the period, including the following.

4.1 Name of the entity

4.2 The date of the gain 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.

There are no entities over which control has been gained or lost during the period.

5 Detail 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.

2014 final dividends
Dividend amount per share : \$0.015
Payment date: 5 Dec 2014
The whole of the dividend is Conduit Foreign Income which means that there will be no withholding tax in Australia for foreign shareholders.

6 Detail 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.

N/A

- 7 Details of associates and joint venture entities including the name of the associate 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 profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

N/A

- 8 For foreign entities, which set of accounting standards is used in compiling the report (e.g. international Accounting Standards)

N/A

- 9 For all entities, if the accounts are subject to audit dispute or qualification, a description of the dispute or qualification.

N/A

Dated this 20th day of March 2015



Philip Widjaya
Managing Director



Shenhua International Limited
(ABN 17 134 463 730)

**Interim Financial Report
for the Half-Year Ended
31 December 2014**

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Corporate Directory

DIRECTORS

Ms. Xiaohong Chen
Mr. Philip Widjaya
Ms. Lijuan, Wan
Mr. James Yong Wan
Mr. Pierre Lau

COMPANY SECRETARY

Ms. Sherry Tao Xue

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Banker

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Castle Hill NSW 2154

DIRECTORS' REPORT

Your Directors submit the financial report of Shenhua International Limited (the "Company") and its controlled entities (the "Group") for the six months ended 31 December 2014.

DIRECTORS

The names of Directors who held office during or since the end of the half-year are:

Ms. Xiaohong Chen	Non-executive Chairman
Mr. Philip Widjaya	Managing Director
Ms. Lijuan, Wang	Executive Director
Mr. James Yong Wan	Non-executive Director
Mr. Pierre Lau	Non-executive Director

COMPANY SECRETARY

Ms. Sherry Tao Xue

PRINCIPAL ACTIVITIES

The principal activities of the Group during the period were the manufacture and distribution of medium to high quality textiles products.

There have been no significant changes in the nature of the principal activities undertaken during the period.

REVIEW OF OPERATIONS

In the six months ending 31 December 2014, the Group has decreased profit after income tax of \$1,980,000 as compared to \$3,959,000 for the period ended 31 December 2013. The revenue also registered a decrease from \$44,856,000 for the six months ended 31 December 2013 to \$37,792,000 for the six months ended 31 December 2014. There were mainly caused by the effect on the increasing domestic labour cost and unstable political situation in parts of our sales territory.

On the other hand, total comprehensive income for the half year amounted to \$18,235,000 as compared to \$8,196,000 for the period ended 31 December 2013. This was mainly caused by the foreign exchange gain on conversion resulting from the moderate depreciation of Australian Dollar, being the reporting currency of the Group.

ROUNDING OF AMOUNTS

The consolidated group is a type of Company referred to in ASIC Class Order 98/100 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the class order.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 of the report.

Shenhua International Limited
ABN 17 134 436 730
Interim Consolidated Financial Statements
31 December 2014

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



Philip Widjaya
Executive Director

Dated 20 March 2015

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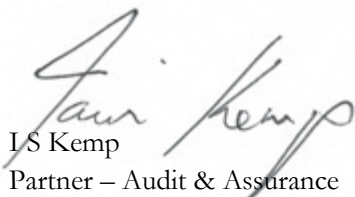
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SHENHUA INTERNATIONAL LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Shenhua International Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



I S Kemp
Partner – Audit & Assurance

Adelaide, 20 March 2015

Grant Thornton Audit Pty Ltd ABN 94 269 609 023 ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Consolidated Entity	
	6 months to 31-Dec-14 \$000	6 months to 31-Dec-13 \$000
Revenues	37,792	44,856
Cost of sales	(31,067)	(36,253)
Gross profit	6,725	8,603
Other income	3,287	831
Distribution expenses	(348)	(404)
Administrative expenses	(2,955)	(2,217)
Movement in provision for doubtful debts	36	-
Provision for Obsolete Stock	(1,492)	-
Finance costs	(2,650)	(1,335)
Other expenses	(7)	(40)
Profit before tax	2,596	5,438
Income tax expense	(616)	(1,479)
Profit for the period attributable to members of the parent	1,980	3,959
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations (Tax: nil)	16,255	4,237
Other comprehensive income for the period, net of tax	16,255	4,237
Total comprehensive income for the period attributable to members of the parent	18,235	8,196
Earnings per share		
From continuing operations:		
Basic and diluted earnings per share (cents)	1.6	3.1

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

		Consolidated Entity	
	Notes	31-Dec-14	30-Jun-14
		\$000	\$000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		47,070	48,464
Trade and other receivables	4a	16,970	97,487
Inventories		7,966	6,038
Other financial assets		-	206
Land use rights		305	165
TOTAL CURRENT ASSETS		72,311	152,360
NON-CURRENT ASSETS			
Financial assets		744	642
Other receivables	4b	88,554	-
Property, plant and equipment		14,184	13,050
Land use rights		10,130	8,969
TOTAL NON-CURRENT ASSETS		113,612	22,661
TOTAL ASSETS		185,923	175,021
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	20,596	22,639
Borrowings		16,351	14,104
Notes payable		53,155	57,339
Current tax liabilities		21	1,486
TOTAL CURRENT LIABILITIES		90,123	95,568
TOTAL LIABILITIES		90,123	95,568
NET ASSETS		95,800	79,453
EQUITY			
Issued capital		38,439	38,439
Reserves		4,519	(11,736)
Retained earnings		52,842	52,750
TOTAL EQUITY		95,800	79,453

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Reserves					
	Issued capital	Statutory common reserve	Common control reserve	Foreign currency translation reserve	Retained earnings	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2013	38,439	3,454	(19,440)	6,988	48,498	77,939
Total comprehensive income for the period	-	-	-	4,237	3,959	8,196
Subtotal	38,439	3,454	(19,440)	11,225	52,457	86,135
Transactions with owners:						
Dividends paid or provided for	-	-	-	-	(3,146)	(3,146)
Balance at 31 December 2013	38,439	3,454	(19,440)	11,225	49,311	82,989
Balance at 1 July 2014	38,439	3,454	(19,440)	4,250	52,750	79,453
Total comprehensive income for the period	-	-	-	16,255	1,980	18,235
Subtotal	38,439	3,454	(19,440)	20,505	54,730	97,688
Transactions with owners:						
Dividends paid or provided for	-	-	-	-	(1,888)	(1,888)
Balance at 31 December 2014	38,439	3,454	(19,440)	20,505	52,842	95,800

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Consolidated Entity	
	6 months to 31 December 2014 \$000	6 months to 31 December 2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	41,474	53,656
Payments to suppliers and employees	(37,135)	(42,106)
Interest received	611	485
Finance costs	(2,541)	(564)
Income tax paid	(2,315)	65
Net cash provided by operating activities	94	11,536
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(3)	(1)
Disposal of investments	239	-
Net cash used in investing activities	236	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(6,006)	-
Increase (Decrease) in notes payable	(13,318)	(1,037)
Interest received from related party loan	2,562	-
(Increase) Decrease in related party receivable	3,722	(45,486)
Net cash used in financing activities	(13,040)	(46,523)
Net increase/(decrease) in cash held	(12,710)	(34,988)
Effect of exchange rates on cash holdings in foreign currencies	11,316	3,263
Cash and cash equivalents at beginning of period	48,464	71,360
Cash and cash equivalents at end of period	47,070	39,635

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Shenhua International Limited and its controlled entities (the “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the half-year.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 20 March 2015.

Significant accounting policies

the interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s last annual financial statements for the year ended 30 June 2014, except for the application of the following standard as of 1 July 2014:

AASB 1031: Materiality

AASB 1055: budgetary Reporting

AASB2013-1, Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements

AASB 2013-4, Novation of Derivatives and Continuation of Hedge Accounting

AASB2013-5, Investment Entities

AASB 2013-9, Conceptual Framework, Materiality and Financial Instruments

AASB2014-2, Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements

AASB2014-1, Amendments to Australian Accounting Standards Part A, B and C

These standards make changes to a number of existing Australian Accounting Standards and are not expected to result in a material change to the manner in which the Group’s financial result is determined or upon the extent of disclosures included in the current period.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2014.

NOTE 2: OPERATING SEGMENTS

The Group considers that there is only one segment, being the manufacture and sale of fabric, curtains and bedding products, as this is how the Group is managed by the chief operating decision makers. All assets and liabilities are allocated to this segment.

NOTE 3: DIVIDENDS

	Consolidated Entity	
	31 Dec 2014	31 Dec 2013
	\$000	\$000
Dividends provided for during the half year	1,888	3,146

During the second half of 2014, the Group paid dividends of \$6,006,000 to its equity shareholders (second half of 2013: nil). These dividends paid relate to dividends declared in prior periods.

NOTE 4: TRADE AND OTHER RECEIVABLES

a. Current trade and other receivables

	Consolidated Entity	
	31-Dec-14	30-Jun-14
	\$000	\$000
A Trade Receivables	14,311	15,391
B Other Receivables	2,659	82,096
	<u>16,970</u>	<u>97,487</u>
A Trade Receivable		
Trade Receivables	14,867	15,488
Provision for Doubtful Debts	(556)	(97)
	<u>14,311</u>	<u>15,391</u>
B Other Receivables		
Advances to Related Parties	-	80,272
VAT Receivable	782	-
Advances to Suppliers	1,877	1,824
	<u>2,659</u>	<u>82,096</u>

b. Non-current trade and other receivables

	Note	Consolidated Entity	
		31-Dec-14 \$000	30-Jun-14 \$000
Advances to Related Parties	6	88,554	-
		<u>88,554</u>	<u>-</u>

The balance advanced to related parties represents a secured interest bearing loan, with annual repayments expiring on 30 June 2022. The loan is advanced to Shaoxing Shenhua Decoration Co. Ltd (SDL), a director related entity. The purpose of the loan is to fund investment and working capital in metal fabrication operations owned by its subsidiary, Zhenjiang Binhai Metal Products (BHMP). The loan was approved by the Board of Directors and shareholders in October 2014.

The loan carries a fixed interest rate of 6% p.a. (consistent with the market rate on similar loans in the PRC) payable on an annual basis and is secured against land use rights and non-current assets of SDL and BHMP with the carrying value of approximately RMB 400 million (AUD 79.76 million) as at 31 December 2014.

NOTE 5: TRADE AND OTHER PAYABLES

	Note	Consolidated Entity	
		31-Dec-14 \$000	30-Jun-14 \$000
Trade and Other Payables		2,699	3,207
Payable to Related Parties	6	17,414	19,103
Unearned Income		483	329
		<u>20,596</u>	<u>22,639</u>

NOTE 6: RELATED PARTY BALANCE

	Consolidated Entity	
	31-Dec-14	30-Jun-14
	\$000	\$000
Related party loan receivable from Shaoxing County Shenhua Decoration Co Ltd ⁽¹⁾	88,554	80,272
Related party dividend payable to Joyful Huge Holdings ⁽²⁾	(6,800)	(7,899)
Related party payable to Joyful Huge Holdings arising from initial listing process	(10,304)	(10,304)
Related party payable to Xia Yajun ⁽³⁾	(310)	(235)
Related party payable to Shaoxing Shenlian Textile Co. Ltd ⁽⁴⁾	-	(665)

- (1) Shaoxing Shenhua Decoration Co.,Ltd is a related party of Philip Widjaya, Managing Director of the Group,whose ownership is 58.8%.
- (2) Joyful Huge Holdings Limited is owned and controlled by Philip Widjaya, Managing Director of the Group.
- (3) Xia Yajun is son of Philip Widjaya, Managing Director of the Group
- (4) Shaoxing Shenlian Textile Co., Ltd is a related party of Philip Widjaya, Managing Director of the Group.

NOTE 7 CONTINGENT LIABILITIES

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

NOTE 8: EVENTS SUBSEQUENT TO REPORTING DATE

No material events have occurred subsequent to balance date and up to the date of this report.

NOTE 9: EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (Shenhua International Limited) as the numerator, i.e. no adjustments to profits were necessary during the six (6) month period to 31 December 2014 and 2013.

The weighted average number of shares for the purposes of the calculation of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	6 months to 31-Dec-2014 \$'000s	6 months to 31-Dec-2013 \$'000s
Weighted average number of shares used in basic earnings per share	125,857,000	125,857,000
Shares deemed to be issued for no consideration in respect of share-based payments	-	-
Weighted average number of shares used in diluted earnings per share	125,857,000	125,857,000

DIRECTOR'S DECLARATION

The Directors of the company declare that:

The financial statements and notes, as set out on pages 5 to 13:

- a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
- b. give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.

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.



Philip Widjaya
Executive Director

Dated 20 March 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHENHUA INTERNATIONAL LIMITED

We have reviewed the accompanying half-year financial report of Shenhua International Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising of a description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of Shenhua International Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Shenhua International Limited consolidated entity's financial position as at 31 December 2014 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 Shenhua International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

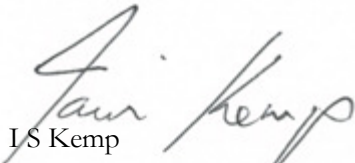
Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Shenhua International Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.


GRANT THORNTON AUDIT PTY LTD
Chartered Accountants
IS Kemp
Partner – Audit & Assurance

Adelaide, 20 March 2015