

**Appendix 4D
Half-Year Report Period Ended 31 December 2015**

Results for announcement to the Market

	Percentage Change			\$
Revenue from ordinary activities	Up	4.4%	to	3,023,592
Profit / (loss) from ordinary activities after tax	Up	111.3%	to	64,236
Net Profit / (loss) for the period attributable to members	Up	112.2%	to	60,505

Dividends

	Amount per security	Franked Amount
Current period:		
Interim Dividend	NIL	N/A
Date the Dividend is Payable:	N/A	N/A
Record Date for determining entitlements to the Dividend:	N/A	N/A
Prior corresponding period:		
Interim Dividend	NIL	N/A

Net Tangible Assets per Security

As at 31 December 2015	1.42 cents
As at 31 December 2014	1.13 cents

Entities Gained Control over

None

Additional Appendix 4D disclosure requirements can be found in the Holista Colltech Limited Half-Year Report for the period ended 31 December 2015.

The Appendix 4D is based on the Holista Colltech Limited Half-Year Report for the period ended 31 December 2015 which has been reviewed by Stantons International. This should be read in conjunction with the most recent annual Financial Report as at and for the year ended 30 June 2015.

HOLISTA COLLTECH LIMITED

ABN 24 094 515 992

INTERIM REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2015

This document should be read in conjunction with the Annual Financial Report of Holista CollTech Limited for the year ended 30 June 2015.

Contents**Page**

Directors' Report	3
Auditor's Independence Declaration	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	8
Consolidated Statement of Changes in Equity	9
Consolidated Statement of Cash Flows	10
Condensed Notes to the Consolidated Financial Statements	11
Directors' Declaration	18
Independent Auditor's Review Report	19

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Dato Dr Rajen Manicka	Chairman and Chief Executive Officer
Mr Daniel Joseph O'Connor	Non-Executive Director
Mr Chan Heng Fai	Non-Executive Director

Further to our Annual Report, the Group continues to improve in strength despite the challenges faced during the last six months, caused by the volatility of the foreign currency and the global economic uncertainty triggered by the plunge in crude oil prices. During this reporting period, the Group's revenue increased to \$3.023 million, up \$127,999 from \$2.896 million as at December last year. The Group recorded \$64,236 in profit for the period, as compared to a loss of \$570,611 from the last corresponding period.

Review of Operations

During the period under review, the Group remained focused on its three core areas:

- Healthy Food Ingredients
- Dietary Supplements
- Sheep Collagen (Ovine)

Healthy Food Ingredients

The Group has been working on four aspects of its Healthy Food Ingredients segment:

- 1) Low GI baked goods
- 2) Low sodium salt
- 3) Low fat chip
- 4) Low calorie sugar

Low GI Baked Goods

The Group has been working to achieve scientific validation of the efficacy of various healthy food ingredients as a precursor to major global marketing efforts.

Subsequent to the reporting period, the Group announced on 12 January 2016 that it has achieved a major breakthrough with its Low Glycemic Index (GI) mix for white bread. An independent clinical trial by a leading university in Sydney has verified that the mix of four natural ingredients – part of a proprietary formula developed by the Group – registered a GI reading of 53 when mixed with a Swiss-patented sourdough formula, the lowest level achieved worldwide in clean-label white bread. In collaboration with Switzerland-based partner Veripan AG, Europe's largest independent supplier of specialty bakery ingredients, the Group plans to launch its first low GI white bread in Australia by the end of 2016. This will serve as a stepping-stone for the Group to offer its first clean-label low GI white bread to the world's USD170 billion bread industry.

More significantly, the Group will also target its low GI patent for all baked goods, the global market of which is currently worth USD420 billion. The Group has successfully tested low GI versions of muffins and cookies, and will conduct further testing for other baked goods such as brownies and croutons (see ASX Announcements 12th and 27th January for further details).

Low Sodium Salt

The Group is working with several bitter taste maskers to further reduce sodium content as well as increase the proportions of heart-healthy potassium, which has a metallic yet bitter taste. We expect our low sodium product to ride on the success of our low GI baked goods at a time when regulatory authorities in Australia, North America and Europe are clamping down on food that is high in sodium.

Low Fat Chip

The Group has completed two tests in Europe on low fat fried chips and is currently evaluating the data.

Low Calorie Sugar

The Group is working with sugar alcohols and taste maskers to capitalise on the growing "NO or LOW sugar" movement currently sweeping the world.

Dietary Supplements

Dietary supplements were the Group's main income contributor during the period under review. The Group's supplements are currently mainly distributed in leading pharmacies across Malaysia and Singapore. Market conditions in Malaysia remained challenging during the past six months, as customers' purchasing power was impacted by inflation, the weakened Malaysian ringgit, the Malaysian Government's systematic removal of subsidies on essential goods, and the negative impact of Goods and Services Tax (GST) since April 2015.

Despite these challenges, revenue from dietary supplements during the period under review improved by 6% to \$2.950 million from \$2.772 million a year earlier.

With challenging market conditions in Malaysia expected to persist in the near future, the Group will have to be more innovative and aggressive in our approach to the dietary supplements market, including possible ventures into other Asian countries. New potential products are expected to be launched this year. Several product registrations are ongoing, including line extensions to existing brands and entry into new, potentially large markets and high-growth areas.

Concurrently, the Group has made positive inroads into the booming local and regional multi-level marketing business with its ingredient range. The Group will continue to pursue potential collaborations with new multi-level marketing companies, for which it will be the exclusive supplier of value-added ingredients and formulas.

Sheep Collagen (Ovine)

Since the incorporation of CollTech Australia ("CAU"), cosmetic-grade collagen has been the main focus for the Group. This segment recorded a slight dip in revenue from \$122,715 last year to \$73,321 in the period under review.

However, the Group sees major opportunities in food-based sheep collagen at a time when ovine-based products are emerging as a superior alternative based on the following qualities:

- Warm blooded versus fish-based products
- Free of cultural and religious barriers
- Certified disease free
- Traceable quality

The Group is currently in the process of upgrading its collagen plant in Collie, Western Australia as it prepares for maiden revenue from its patented food-grade collagen formulation. Upon completion of the upgrades in 2016, the Group will be able to mass-produce samples. This will open up new opportunities for its collagen business and is an exciting prospect in regions such as North Asia, where collagen forms an integral part of traditional Chinese medicine.

For comparison, rather than selling 1 gram per 100-gram tube per month as a cosmetic, we will now be selling 150 grams per month (5 grams per day for a month) based on the ratio of per-user basis. This represents an increase in volume of 150 times to the production capacity. As with all production and manufacturing plants, the economies of scale are expected to improve the bottom line in due course.

Financial Results

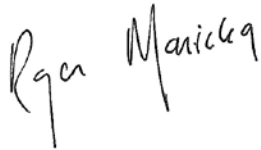
The Group recorded a total comprehensive loss of \$205,265 for the six months ended 31 December 2015, compared to \$528,301 for the corresponding period last year. This was largely due to the loss of \$269,501 in exchange differences on translation of foreign operations.

No interim dividend was paid or declared for the period.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Stantons International, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



.....
Dato' Dr Rajen Manicka
CEO
29th February 2016

29 February 2016

Board of Directors
Suite 12, Level 1
11 Ventnor Avenue,
West Perth, WA 6005

Dear Directors

RE: HOLISTA COLLTECH LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Holista CollTech Limited.

As the Audit Director for the review of the financial statements of Holista CollTech Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 December 2015

	Notes	31 December 2015 \$	31 December 2014 \$
Revenue from continuing operations		3,023,592	2,895,593
Other income		471,518	31,913
Change in inventories of finished goods and work in progress		67,628	(17,652)
Raw materials and consumables used		(1,266,227)	(913,836)
Employee benefits expense		(1,135,131)	(1,151,462)
Depreciation and amortisation expense		(102,285)	(110,020)
Finance costs		(62,532)	(93,308)
Other expenses		(891,377)	(1,158,591)
Profit / (Loss) before income tax expense		105,186	(517,363)
Income tax (expense)		(40,950)	(53,248)
Profit/ (Loss) after tax from continuing operations		64,236	(570,611)
Profit / (Loss) for the period		64,236	(570,611)
Other comprehensive income			
Exchange differences on translation of foreign operations		(269,501)	42,310
Total comprehensive (loss) for the period		(205,265)	(528,301)
Profit / (Loss) attributable to :			
Owners of the parent		60,505	(495,980)
Non-controlling interest		3,731	(74,631)
		64,236	(570,611)
Total comprehensive (loss) attributable to :			
Owners of the parent		(199,074)	(443,621)
Non-controlling interest		(6,191)	(84,680)
		(205,265)	(528,301)
Basic loss per share (cents per share)		0.04	(0.34)
Diluted loss per share (cents per share)		0.04	(0.34)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 December 2015**

	Notes	31 December 2015 \$	30 June 2015 \$
Current Assets			
Cash and cash equivalents	3	72,481	63,605
Trade and other receivables		1,707,132	1,782,314
Inventories		1,006,567	1,010,682
Other current assets	4	919,694	613,773
Total Current Assets		3,705,874	3,470,374
Non-Current Assets			
Property, plant and equipment		1,128,080	1,305,455
Intangible assets		92,794	189,190
Other financial assets		12,289	16,272
Total Non-Current Assets		1,233,163	1,510,917
Total Assets		4,939,037	4,981,291
Current Liabilities			
Trade and other payables		1,145,969	1,126,154
Borrowings	5	844,238	773,015
Other liabilities		9,776	-
Deferred Tax Liability		766	826
Current Tax Liability		-	114,081
Total Current Liabilities		2,000,749	2,014,076
Non-Current Liabilities			
Borrowings	5	602,349	676,011
Total Non-Current Liabilities		602,349	676,011
Total Liabilities		2,603,098	2,690,087
Net Assets		2,335,939	2,291,204
Equity			
Issued capital	6	9,674,203	9,424,203
Reserves		1,936,701	2,196,280
Accumulated (losses)		(9,076,257)	(9,136,762)
Total parent entity interest		2,534,647	2,483,721
Non-controlling interest		(198,708)	(192,517)
Total Equity		2,335,939	2,291,204

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 December 2015**

	Issued Capital	Compound Financial Instrument	Accumulated Losses	Option Reserve	Foreign Currency Translation	Non- controlling interest	Total Equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2014	8,184,145	412,502	(9,170,250)	2,242,994	(41,430)	(98,569)	1,529,392
(Loss) for the period	-	-	(495,980)	-	-	(74,631)	(570,611)
Exchange differences arising on translation of foreign operations	-	-	-	-	52,359	(10,049)	42,310
Total comprehensive income for the period	-	-	(495,980)	-	52,359	(84,680)	(528,301)
Shares issued during the half-year	1,102,557	(275,001)	-	-	-	-	827,556
Balance at 31 December 2014	9,286,702	137,501	(9,666,230)	2,242,994	10,929	(183,249)	1,828,647
Balance at 1 July 2015	9,286,702	137,501	(9,136,762)	2,242,994	(46,714)	(192,517)	2,291,204
Profit for the period	-	-	60,505	-	-	3,731	64,236
Exchange differences arising on translation of foreign operations	-	-	-	-	(259,579)	(9,922)	(269,501)
Total comprehensive income for the period	-	-	60,505	-	(259,579)	(6,191)	(205,265)
Warrants exercised during the half-year	250,000	-	-	-	-	-	250,000
Balance at 31 December 2015	9,536,702	137,501	(9,076,257)	2,242,994	(306,293)	(198,708)	2,335,939

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 December 2015**

	Consolidated	
	31 December 2015 \$	31 December 2014 \$
Notes		
Cash flows from operating activities		
Receipts from customers	3,210,928	2,797,137
Payments to suppliers and employees	(3,380,562)	(2,899,942)
Interest received	15,048	10,338
Finance costs	(11,831)	(48,573)
Net income tax received	378,210	4,324
Net cash provided by/ (used in) operating activities	211,793	(136,716)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,759)	(109,284)
Purchase of intellectual property	(65,603)	(24,044)
Purchase of other investment	(251,064)	-
Net cash provided by/ (used in) investing activities	(318,426)	(133,328)
Cash flows from financing activities		
Proceeds from related party	-	29,651
Repayment of borrowings	(40,523)	(594,496)
Proceeds from issue of shares	250,000	-
Withdrawal of fixed deposits	31,546	662,244
Net cash provided by/ (used in) financing activities	241,023	97,399
Net decrease in cash and cash equivalents	134,389	(172,645)
Cash and cash equivalents at the beginning of the period	3 63,605	237,726
Effects of exchange rate fluctuations on cash held	(125,513)	47,682
Cash and cash equivalents at the end of the period	72,481	112,762

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

NOTE 1: REPORTING ENTITY

Holista CollTech Limited is a company domiciled in Australia. The Company's registered address is Suite 12, Level 1, 11 Ventnor Avenue, West Perth, WA 6005. The consolidated financial statements of the Group for the half year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group Entities'). The Group is a for-profit entity and primarily involved in development and commercialisation of food ingredients and ovine collagen.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These half year consolidated financial statements are general purpose financial statements, prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The half year financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the half-year financial statements, the half year has been treated as a discrete reporting period.

The half year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that the half year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Holista CollTech Limited and its subsidiaries during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The half year financial statements have been approved and authorised for issue by the Board of Directors on the 29th February 2016.

Significant accounting policies

The accounting policies adopted in the preparation of the half year financial statements are consistent with those adopted and disclose in the company's 2015 annual financial report.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

Going concern

The Group has reported a net profit for the period of \$64,236, positive cash from operating activities of \$211,793 and working capital of \$1,705,125.

This financial report is prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group's ability to generate positive cash flows through its existing business and/or raising of further equity.

The Group's major breakthrough on its Low G.I clinical trials and its collaboration with its Switzerland based partner, Veripan AG, who is also Europe's largest independent supplier of specialty bakery ingredients has given us a huge potential revenue in the near future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Furthermore, the commercialisation of the Group's Food Grade Ovine Collagen will also provide the Group with another source of potential income during the year.

The Group will have further options to raise additional funds as and when required by issuing of shares and/or options as evidenced by our ASX announcement dated 16 Feb 2016. There are also warrants worth \$1.15 million which can be exercised to generate additional funding should such need arises.

The Group remain optimistic on its future potential but it does realise the risk should the Group fail to generate sufficient positive cash flows and/or obtain funding when required.

NOTE 3: CASH AND CASH EQUIVALENTS

Current	31 December 2015 \$	30 June 2015 \$
Cash at bank and on hand (i)	72,481	63,605
	<u>72,481</u>	<u>63,605</u>

(i) Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	72,481	63,605
Cash and cash equivalents as per statement of cash flows	<u>72,481</u>	<u>63,605</u>

NOTE 4: OTHER CURRENT ASSETS

Current	31 December 2015 \$	30 June 2015 \$
Security deposits (i)	402,615	434,162
Prepayments	517,080	179,611
	<u>919,594</u>	<u>613,773</u>

(i) Security deposits are restricted cash. In order to obtain various financing facilities, banks in Malaysia require cash to be deposited if other collateral is not available. These deposits are interest bearing and the interest is compounded and added to the principal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

NOTE 5: BORROWINGS

Borrowings shown in the Statement of Financial Position relate to borrowings through the Malaysia Companies, National Australia Bank and convertible loan note holders are listed as follows:

	31 December 2015	30 June 2015
	\$	\$
Current		
Bankers acceptance	320,615	273,015
Credit card	-	(316)
Financial leases	12,810	13,474
Term loan	34,631	36,372
Convertible Notes	476,182	450,470
Total Current	<u>844,238</u>	<u>773,015</u>
Non-Current		
After 1 year but not later than 5 years		
Term loans	138,524	166,557
Financial leases	42,320	60,894
	<u>180,844</u>	<u>227,451</u>
After 5 years		
Term loans	400,838	434,480
Financial leases	20,667	14,080
	<u>421,505</u>	<u>448,560</u>
Total Non-Current	<u>602,349</u>	<u>676,011</u>

NOTE 6: ISSUED CAPITAL

	Consolidated	
	31 December 2015	30 June 2015
	\$	\$
158,168,216 Ordinary shares issued and fully paid (30 June 2015: 154,001,549)	9,536,702	9,286,702
500,000 Convertible notes – value of conversion rights (30 June 2015: 500,000)	137,501	137,501
	<u>9,674,203</u>	<u>9,424,203</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

NOTE 6: ISSUED CAPITAL (continued)

Movements in ordinary share capital of the Company during the last year were as follows;

Date	Details	No. of Shares	Issue Price	\$
01/01/2015	Opening balance	154,001,549		9,286,702
30/06/2015	Closing balance	154,001,549		9,286,702

Date	Details	No. of Shares	Issue Price	\$
01/07/2015	Opening balance	154,001,549		9,286,702
27/10/2015	Exercise of warrants	4,166,667	\$0.06	250,000
31/12/2015	Closing balance	158,168,216		9,536,702

NOTE 7: SEGMENT REPORTING

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Types of products and services by segment

(i) Supplements

This operating segment is involved in the manufacture and wholesale distribution of dietary supplements.

(ii) Sheep collagen

This operating segment is involved in the manufacture and distribution of cosmetic grade collagen.

(ii) Food ingredients

This operating segment is involved in the manufacture and wholesale distribution of healthy food ingredients.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Intersegment transactions

The three segments operate independently and there are no intersegment sales.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 December 2015**

NOTE 7: SEGMENT REPORTING (continued)

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

(e) Segment Information

(i) Segment performance

	Supplements	Sheep Collagen	Food Ingredients	Corporate	Total
	\$	\$	\$	\$	\$
31 December 2015					
REVENUE					
External sales	2,950,271	73,321	-	-	3,023,592
Interest revenue	-	-	-	15,048	15,048
Other revenue	-	-	-	456,471	456,471
Total segment revenue	2,950,271	73,321	-	471,518	3,495,110
Reconciliation of segment revenue to group revenue					
Total group revenue					<u>3,495,110</u>
Segment net loss from continuing operations before tax	315,015	(207,306)	-	(2,523)	105,186
Net loss before tax from continuing operations					<u>105,186</u>
31 December 2014					
REVENUE					
External sales	2,772,878	122,715	-	-	2,895,593
Interest revenue	-	-	-	10,338	10,338
Other revenue	-	-	-	21,575	21,575
Total segment revenue	2,772,878	122,715	-	31,913	2,927,506
Total group revenue					<u>2,927,506</u>
Segment net (profit) from continuing operations before tax	399,277	(143,718)	(344,749)	(428,173)	(517,363)
Net (profit) before tax from continuing operations					<u>(517,363)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 December 2015**

NOTE 7: SEGMENT REPORTING (continued)

(ii) Segment assets

	Supplements	Sheep Collagen	Food Ingredient	Total
	\$	\$	\$	\$
31 December 2015				
Segment assets	5,052,375	3,268,699	1,051	8,322,125
Reconciliation of segment assets to Group assets:				
Intersegment eliminations				(3,383,088)
Total Group assets				<u><u>4,939,037</u></u>
30 June 2015				
Segment assets	5,258,806	3,063,781	1,133	8,323,720
Reconciliation of segment assets to Group assets:				
Intersegment eliminations				(3,342,429)
Total Group assets				<u><u>4,981,291</u></u>

(iii) Segment liabilities

	Supplements	Sheep Collagen	Food Ingredients	Total
	\$	\$	\$	\$
31 December 2015				
Segment liabilities	1,989,559	1,190,796	765,315	3,945,670
Reconciliation of segment liabilities to Group liabilities:				
Intersegment eliminations				(1,342,572)
Total Group liabilities				<u><u>2,603,098</u></u>
30 June 2015				
Segment liabilities	2,071,739	1,172,251	741,582	3,985,572
Reconciliation of segment liabilities to Group liabilities:				
Intersegment eliminations				(1,295,485)
Total Group liabilities				<u><u>2,690,087</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2015

NOTE 7: SEGMENT REPORTING (continued)

(iv) Revenue by geographical region

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	31 Dec 2015	31 Dec 2014
	\$	\$
Australia	451,551	123,706
Malaysia	3,043,559	2,803,800
United States	-	-
Total revenue	<u>3,495,110</u>	<u>2,927,506</u>

(v) Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	31 Dec 2015	30 June 2015
	\$	\$
Australia	520,932	367,313
Malaysia	4,417,054	4,612,846
United States	1,051	1,132
Total assets	<u>4,939,037</u>	<u>4,981,291</u>

(vi) Major customers

The Group has a number of customers to whom it provides both products and services. Within the Food Ingredients and Supplement segment, the Group supplies to a number of retailers through one single external distributor who account for 68.5% of total revenue for this segment. The Group supplies to a few external customers for the Sheep Collagen segment, where the major customer accounts for 99.6% of revenue for this segment

NOTE 8: CONTINGENT LIABILITIES

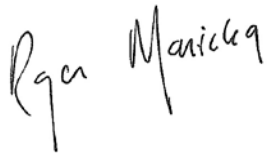
There has been no change in contingent liabilities since the last annual reporting date.

DIRECTORS' DECLARATION

In the opinion of the directors of Holista CollTech Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. 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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Dato' Dr Rajen Manicka
CEO
29th February 2016

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
HOLISTA COLLTECH LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Holista CollTech Limited, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Holista CollTech Limited, (the consolidated entity). The consolidated entity comprises both Holista CollTech Limited, (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Holista CollTech 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control 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 half-year financial report based on our review. We conducted our review in accordance with 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 consolidated entity's financial position as at 31 December 2015 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 Holista CollTech Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Holista CollTech Limited, on 29 February 2016.

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 Holista CollTech 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 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001. *Emphasis of Matter Regarding Going Concern*

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As referred to in Note 2 to the consolidated financial statements, the consolidated financial statements have been prepared on a going concern basis. At 31 December 2015 the consolidated entity had cash and cash equivalents totalling \$72,481, working capital of \$1,705,125 and has made a profit before tax of \$105,186. The ability of the Company and consolidated entity to continue as going concerns is subject to the future profitability, the ability of management to collect the receivables and sell the inventory. In the event that the consolidated entity is not successful in being profitable, collecting the receivables and selling the inventory, the Company and the consolidated entity may not be able to meet their liabilities as and when they fall due and the realisable value of the Company's and the consolidated entity's assets may be significantly less than book values.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International


Samir Tirodkar
Director

West Perth, Western Australia
29 February 2016