Public Holdings (Australia) Limited

A.B.N. 65 000 332 918

Interim Financial Report

For the Half-Year Ended 30 June 2014

The interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the annual report for the year ended 31 December 2013.

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

Appendix 4D
For the Half-Year Ended 30 June 2014

1 Reporting period: six months ended 30 June 2014
Previous corresponding period: six months ended 30 June 2013

2 Results for announcement to the market:

2.1 Revenue from ordinary activities for the reporting period $13K, previous reporting period $187K, a movement of $174K or 93% decreased.

2.2 Loss from ordinary activities after tax attributable to members for the reporting period $167K, previous reporting period profit of $45K, a movement of $212K or 471% decreased.

2.3 Net loss for the period attributable to members for the reporting period $167K, previous reporting period profit of $45K, a movement of $212K or 471% decreased.

2.4 It is proposed not to pay dividends for the period ended 30 June 2014.

2.5 Not applicable

2.6 Please refer to the Interim Financial Statements - 30 June 2014 released today for further explanations of the figures presented at 2.1 - 2.4 above.

3 Net tangible assets per share:

	Current Period	**Previous Corresponding Period**
Net tangible assets per share:	$0.08	$0.09

4 Control gained or lost over entities during the period, and those having material effect

No entities were acquired or disposed of during the period.

5 Dividend details

No dividend has been recommended in respect of the period ended 30 June 2014 (2013: Nil).

6 Dividend or distribution reinvestment plan details

Not applicable

7 Investments in associates and joint ventures

No investments in associates and joint ventures are held by the Consolidated Group.

8 Foreign entities

Not applicable

9 Audit dispute or qualification

The interim financial statements for the period ended 30 June 2014 have no audit dispute or qualification.

Company Particulars

Directors:

Yuan-Yi LAO (Chairman)
Wai-Kin YEUNG
Shu-Lin XIN
Oreste Anthony BIZIAK (Deputy Chairman)
Ying Fang MEI

Company Secretary:

David McBain
Level 1, 123 Whitehorse Road, Balwyn, Victoria, 3103

Auditors:

McLean Delmo Bentleys Audit Pty Ltd
Level 3, 302 Burwood Road, Hawthorn, Victoria, 3122

External Accountants and Business Advisors:

ShineWing Hall Chadwick Pty Ltd
David Chu
CITIC House, Level 1, 99 King Street, Melbourne, Victoria 3000
Email: david.chu@shinewing.com.au

Share Registry:

Link Market Services Limited
Level 1, 333 Collins Street, Melbourne, Victoria, 3000
Telephone: (03) 9615 9800
Fax: (03) 8614 2903
Free call: 1300 554 474

Stock Exchange:

Listed on the Australian Securities Exchange

Registered Office:

Level 1, 123 Whitehorse Road, Balwyn, Victoria, 3103
Telephone: (03) 9817 0700
Fax: (03) 9817 0799
Email: dmcbain@mcbainmccartin.com.au

Principal Place of Business:

CITIC House, Level 1, 99 King Street, Melbourne, Victoria 3000
Telephone: (03) 8613 0000
Fax: (03) 8613 0099
Email: david.chu@shinewing.com.au

Directors' Report

The Directors hereby present their financial report of Public Holdings (Australia) Limited and controlled entities for the half-year ended 30 June 2014.

Directors

The names of the Directors in office at any time during or since the end of the half-year are:

Yuan-Yi LAO
Shu-Lin XIN
Wai-Kin YEUNG
Oreste Anthony BIZIAK
Ying Fang MEI

Review of Operations

During the period under review, the Board considered several investment proposals and concluded that the proposal by Peregrine Corporate Limited ("Peregrine") would be most appropriate as it returned capital to the shareholders and the Company would be revitalised with a new investment project. On 22 May 2014, the Board accepted the Peregrine's proposal and as a result, an announcement was made to the market on 22 May 2014.

A Notice of Meeting with Explanatory Memorandum and Independent Experts Report has been mailed to shareholders notifying shareholders of a General meeting to be held on 8 September 2014 for the purpose of:

1) Approving the placement of the shares in the Company held by Atlas Securities Pty Limited ("Atlas", the major shareholder of the Company) to clients of Peregrine, which is subject to the return of capital being approved by shareholders;

2) Reducing of the share capital of the Company by an equal 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 shareholder's shareholding at the Record Date as described in the Explanatory Memorandum which accompanies and forms part of the Notice of General Meeting, and

3) Electing new Directors: Mr Bryan Frost, Mr Peter Chapman and Mr Clayton Dodd, which is subject to the placement of the Company's shares held by Atlas to clients of Peregrine being approved by shareholders.

The full wording of the resolutions and further information is contained in the Notice of Meeting with Explanatory Memorandum and Independent Experts Report.

During the period from 1 January 2014 to 30 June 2014, the Company continued to invest in listed securities. Financial markets have again been volatile in 2014. After a significant drop in January 2014 with fears of a slowdown of China's economy, stock market gradually rebounded from the second quarter. This was reflected in a better financial performance of individual listed companies, as well as an improving trend on economic data from China.

During the period, due to market fluctuation, the Company has taken a prudent investment approach and has recorded an unrealised loss on its financial assets of $38,105.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 for the half-year ended 30 June 2014 has been received and can be found on page 4.

This report is made in accordance with a Resolution of the Board of Directors.

Wai-Kin YEUNG
Director

Dated: 29 August 2014

McLean Delmo Bentleys Audit Pty Ltd

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LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: The Directors of Public Holdings (Australia) Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2014, there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Sally Ding
Registered Company Auditor

Hawthorn
29 August 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 30 June 2014

	Note	Consolidated Group Half-year Ended 30 June 2014 $	Consolidated Group Half-year Ended 30 June 2013 $
Revenue		13,011	187,305
Administration expenses		(163,395)	(129,107)
Other expenses		(15,774)	(14,204)
Net foreign currency exchange (loss)/gain		(721)	1,405
(Loss)/profit before income tax		(166,879)	45,399
Income tax expense		-	-
Net (loss)/profit for the period	**2**	(166,879)	45,399
Other comprehensive loss			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Realisation of financial assets revaluation reserve		-	(180,330)
Net (loss)/gain on revaluation of available-for-sale financial assets		(38,105)	42,945
Other comprehensive loss for the period	**6**	(38,105)	(137,385)
Total comprehensive loss for the period		(204,984)	(91,986)
Net (loss)/profit attributable to:			
- members of the parent entity		(166,879)	45,399
Total comprehensive loss attributable to:			
- members of the parent entity		(204,984)	(91,986)
(Loss)/earnings per share			
Basic (loss)/earnings per share (cents)	**8**	(1.11)	0.30
Diluted (loss)/earnings per share (cents)	**8**	(1.11)	0.30

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the 31 December 2013 annual report.

Consolidated Statement of Financial Position
As at 30 June 2014

	Consolidated Group	
	30 June 2014	31 Dec 2013
ASSETS	$	$
CURRENT ASSETS		
Cash and cash equivalents	450,550	596,404
Trade and other receivables	3,560	38,411
TOTAL CURRENT ASSETS	454,110	634,815
NON-CURRENT ASSETS		
Financial assets	797,340	835,445
Plant and equipment	-	100
TOTAL NON-CURRENT ASSETS	797,340	835,545
TOTAL ASSETS	1,251,450	1,470,360
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	24,902	38,828
TOTAL CURRENT LIABILITIES AND TOTAL LIABILITIES	24,902	38,828
NET ASSETS	1,226,548	1,431,532
EQUITY		
Issued capital	1,872,375	1,872,375
Reserves	269,804	307,909
Accumulated losses	(915,631)	(748,752)
TOTAL EQUITY	1,226,548	1,431,532

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the 31 December 2013 annual report.

Public Holdings (Australia) Limited and Controlled Entities

A.B.N 65 000 332 918

Consolidated Statement of Changes in Equity
For the Half-Year Ended 30 June 2014

Consolidated Group

	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 profit for the period	-	-	45,399	45,399
Financial assets revaluation reserve realised	-	(180,330)	-	(180,330)
Revaluation of available-for-sale financial assets	-	42,945	-	42,945
Total comprehensive loss for the period	-	(137,385)	45,399	(91,986)
Balance at 30 June 2013	1,872,375	184,069	(655,853)	1,400,591
Balance at 1 January 2014	1,872,375	307,909	(748,752)	1,431,532
Net loss for the period	-	-	(166,879)	(166,879)
Revaluation of available-for-sale financial assets	-	(38,105)	-	(38,105)
Total comprehensive loss for the period	-	(38,105)	(166,879)	(204,984)
Balance at 30 June 2014	1,872,375	269,804	(915,631)	1,226,548

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the 31 December 2013 annual report.

Consolidated Statement of Cash Flows
For the Half-Year Ended 30 June 2014

	Consolidated Group	
	Half-year Ended 30 June 2014 $	Half-year Ended 30 June 2013 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(192,995)	(133,909)
Dividends received	6,584	9,688
Other receipts	-	116
Interest received	6,427	6,014
Net cash used in operating activities	(179,984)	(118,091)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of available-for-sale financial assets	-	159,581
Net cash provided by investing activities	-	159,581
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance from related parties	34,851	34,358
Net cash provided by financing activities	34,851	34,358
Net (decrease)/increase in cash held	(145,133)	75,848
Cash and cash equivalents at beginning of period	596,404	455,843
Effect of exchange rates on cash holdings in foreign currencies	(721)	1,404
Cash and cash equivalents at end of period	450,550	533,095

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the 31 December 2013 annual report.

Notes to the Financial Statements
For the Half-Year Ended 30 June 2014

1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 30 June 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Consolidated Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Public Holdings (Australia) Limited and its controlled entities ("The Consolidated Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Consolidated Group for the year ended 31 December 2013, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 29 August 2014.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 31 December 2013 annual report.

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and realisation of assets and settlement of liabilities in normal course of business. The Directors have considered and noted the following with regard to the ability at the Group to continue as a going concern:

The Company announced on 22 May 2014 that it proposed to undertake a return of capital to the shareholders. The Company will be seeking approval at a General Meeting to be held on 8th September 2014 for approximately 85% of the Company's net assets to be returned to the shareholders. This return to shareholders approximates $1,042,000 based on the financial statements at 30 June 2014. The exact amount will be dependent on a number of factors including the price at which existing financial assets are sold.

Following the return of capital, working capital remaining in the Company will approximate $184,000 to meet operating costs until such time as the new Directors introduce further capital, loan funds or a new venture.

As stated in page 7 of the Independent Experts Report attached to the notice of meeting, following completion of the proposals set down in the notice of meeting, the Company's new directors who have experience in corporate restructures would be able to identify new projects for the Company. They have advised that they intend to significantly reduce the Company's operating expenses. If the introduction of new shareholders and directors are rejected by the shareholders, the working capital remaining in the Company should be enough to complete the liquidation procedures if necessary.

Reference should be made to Note 10, Events occuring after reporting date, for further details in relation Notice of Meeting, Explanatory Memorandum and Independent Experts Report.

On the basis of these factors, the Directors believe that the going concern basis of preparation of the financial statements is appropriate and the Company will be able to repay its debts as and when they fall due.

	Consolidated Group	
	Half-year Ended 30 June 2014	Half-year Ended 30 June 2013
2 Net (loss)/profit for the Period	**$**	**$**
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Profit on sale of available-for-sale financial assets	-	171,603
Staff cost	27,603	27,580

Notes to the Financial Statements
For the Half-Year Ended 30 June 2014

3 Dividends

No dividends have been paid or declared since the start of the financial period.

4 Contingent Liabilities and Capital Commitments

The Consolidated Group has no material contingent liabilities and capital commitments.

5 Operating Segments

Segment Information

The Consolidated Group operates in one business and geographical segment, which is investing in securities in Australia.

6 Analysis of Other Comprehensive Loss

	Consolidated Group	
	30 June 2014	**30 June 2013**
Analysis of items of other comprehensive loss by each class of reserve:		
Realisation of financial assets revaluation reserve	-	(180,330)
Net (loss)/gain on revaluation of available-for-sale financial assets	(38,105)	42,945
Movement in revaluation reserve	(38,105)	(137,385)
Total other comprehensive loss for the period	(38,105)	(137,385)

7 Fair Value Measurement

Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

	Fair Value Measurements at 30 June 2014 Using:		
Description	**Quoted Prices in Active Markets for Identical Assets $ (Level 1)**	**Significant Other Observable Inputs $ (Level 2)**	**Significant Unobservable Inputs $ (Level 3)**
Recurring fair value measurements			
Available-for-sale financial assets:			
Investments in shares of listed corporations			
- energy sector	82,140	-	-
- financial sector	491,700	-	-
- material sector	197,450	-	-
- communication sector	26,050	-	-
	797,340	-	-

There were no transfers between Levels 1 and 2 during the reporting period.

Notes to the Financial Statements
For the Half-Year Ended 30 June 2014

8 (Loss)/Earnings Per Share

Basic (loss)/earnings per share (cents per share)	(1.11)	0.30
Diluted (loss)/earnings per share (cents per share)	(1.11)	0.30
Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic and diluted EPS	14,979,000	14,979,000

9 Controlled Entities

(a) Controlled entities consolidated

	Country of incorporation	Percentage Owned (%) 30 June 2014	30 June 2013
PHA Trading Pty Ltd	Aust.	-	100
PHA Investments Pty Ltd	Aust.	-	100

The controlled entities PHA Trading Pty Ltd and PHA Investments Pty Ltd have been deregistered on 20th February 2014.

10 Events occuring after the reporting period

During the period under review, the Board considered several investment proposals and concluded that the proposal by Peregrine Corporate Limited ("Peregrine") would be most appropriate as it returned capital to the shareholders and the Company would be revitalised with a new investment project. On 22 May 2014, the Board accepted the Peregrine's proposal and as a result, an announcement was made to the market on 22 May 2014.

A Notice of Meeting with Explanatory Memorandum and Independent Experts Report has been mailed to shareholders notifying shareholders of a General meeting to be held on 8 September 2014 for the purpose of:

1) Approving the placement of the shares in the Company held by Atlas Securities Pty Limited ("Atlas", the major shareholder of the Company) to clients of Peregrine, which is subject to the return of capital being approved by shareholders;

2) Reducing of the share capital of the Company by an equal 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 shareholder's shareholding at the Record Date as described in the Explanatory Memorandum which accompanies and forms part of the Notice of General Meeting, and

3) Electing new Directors: Mr Bryan Frost, Mr Peter Chapman and Mr Clayton Dodd, which is subject to the placement of the Company's shares held by Atlas to clients of Peregrine being approved by shareholders.

The full wording of the resolutions and further information is contained in the Notice of Meeting with Explanatory Memorandum and Independent Experts Report.

Directors' Declaration

In accordance with a resolution of the directors of Public Holdings (Australia) Limited, the directors of the company declare that:

1. The financial statements and notes set out on pages 5 to 11 are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and

   (b) giving a true and fair view of the financial position as at 30 June 2014 and of the performance for the half-year ended on that date of the Consolidated Group.

2. 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.

Wai-Kin YEUNG
Director

Dated: 29 August 2014

McLean Delmo Bentleys Audit Pty Ltd

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PUBLIC HOLDINGS (AUSTRALIA) LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Public Holdings (Australia) Limited and controlled entities ("the consolidated entity") which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of Public Holdings (Australia) 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 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 gives a true and faire view and 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 30 June 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 Public Holdings (Australia) Limited and controlled entities, 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.

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, which has been given to the directors of Public Holdings (Australia) Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PUBLIC HOLDINGS (AUSTRALIA) LIMITED

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 Public Holdings (Australia) Limited and controlled entities is not in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion above, we draw attention to Note 1 to the financial statements, which stated that the company announced on 22 May 2014 that it proposed to undertake a return of capital to the shareholders. This condition, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity to continue as a going concern.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Sally Ding
Registered Company Auditor

Hawthorn
29 August 2014