Appendix 4E

PRELIMINARY FINAL REPORT
12 MONTHS ENDED 30 JUNE 2011

Details of the reporting period and the previous corresponding period

Name of entity

Holista CollTech Limited

ABN	Reporting period	Previous corresponding period
24 094 515 992	12 months ended 30/06/11	12 months ended 30/06/10

Results for announcement to the market

Revenues from continuing activities	Down	3.4%	to	A$6,021,082
Loss from ordinary activities after tax attributable to members	Up	29.8%	to	A$803,582
Net Loss for the year attributable to Members	Down	44.7%	to	A$851,501

Dividends	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Final Dividend	Nil	Nil

Record date for determining entitlements to the dividend: N/A

Revenue reduced by 3.4% as compared to previous year and is mainly due to the strengthening of Australian Dollar against the Malaysian Ringgit. During the year, the Malaysian operation was the only income contributor to the Group. Hence, the strengthening of Australian Dollar has had a significant adverse impact on the Group's result.

Loss from ordinary activities after tax attributable to members has increased by 29.8% due to the increase in Advertising and Promotions, and the Research & Development costs incurred during the year.

The Net Loss for the year attributable to members has reduced by 44.7% in the current year. The difference is attributed to the writing off of intangible assets, A$920,440, during the last financial year.

REVIEW OF OPERATIONS

Further to the completion of reverse takeover, the Group has continued to rationalize and consolidate both our operation in Australia and Malaysia, which has resulted in cost reductions and improved efficiencies. This has contributed to the reduction of Net Loss from AUD1.54 million in 2009/2010 to AUD0.85 million in current year.

The Health Supplement Business from our Malaysia Subsidiaries is the main income contributor of the Group. Besides our more reputable brand such as PRISTIN, LACTO-5 and BONEX, we have recently launched our latest supplement in March 2011, VASQUINN, which is the most absorbable CoQ10. Our special Licaps technology has made VASQUINN the most absorbable CoQ10 in the market. The latest Nielsen survey has shown that our fish oil – PRISTIN – is again the market leader in Malaysia for the 3rd consecutive year.

As far as Research & Development products are concerned, we have made the following progress:

i) Food Ingredient Business

We have filed a patent that will reduce the absorption of fat when cooking potato fries as per our announcement on 24 September 2010. We have also filed a low sodium salt patent in January 2011 and a low glycemic index patent in January 2009.

Put together, these 3 patents represent a major solution to the “4S Tsunami”. These “4S”s stand for Sodium, Salt, Starch and Sugar which are increasingly being linked to the unleashing of the global epidemics of obesity, diabetes and cardiovascular disease.

Working together, these patents can deliver the following:

a) A bread with lower Glycemic Index of up to 40%;
b) A low sodium and high potassium salt with up to 50% sodium and no metallic or bitter after taste and;
c) A potato chip/fry which has 40% less fat with crispier result

We believe this will be an instant hit in the future as people are more health conscious nowadays. This could be the revolution in the “fast food” and “processed food” industries where one can continue to consume their favourite “fast food” and “processed food” without the guilt and ill health consequences.

We are currently testing this with a large Australian fast food chain, and are working with one of the largest fast food chains in the world on additional global development opportunities. The Company is also in the midst of applying for a grant in Australia for further development of these technologies.

ii) Collagen Business

While our Malaysian operation is showing positive progress, we continue to pursue the development of our Collagen business, which originated from Australia. The increased in sheep skin prices from AUD4 per skin to AUD25 per skin will not hamper our intention to commercialise our Food Grade Sheep Collagen. Instead, we continue to find new ways and processes to extract collagen from alternative sheep products to mitigate the price increase. We are also looking to develop marine collagen to help fill the market need and at the same time could mitigate the volatility of sheep skin supply.

We have completed the initial Research & Development for the digestion of the intact collagen to food grade collagen with the size of 3kilo Daltons using a mix of “halal” enzymes. We have also filed for the first time in the world a nano collagen patent. This will be an innovation in the highly competitive cosmetic industry.

In order to accelerate the commercialisation of our collagen business, we are in the midst of discussion with two large private equity firms and a halal biologics manufacturer to build a collagen extraction plant in Malaysia

We also created a joint venture in Pune, India, which will further develop and manufacture Indians and Malaysian herbs.

The Board of Directors believe that Holista Colltech Ltd will continue to show good progress and will continue to work hard to enhance the value of our Group.

INCOME STATEMENT

	2011 A$ 000	2010 A$ 000
Revenue	6,021	6,235
Other Income	56	495
Change in inventories of finished goods and work in progress	(104)	223
Raw Materials and consumables used	(2,256)	(2,415)
Employee benefits expense	(1,596)	(1,958)
Depreciation and amortisation expense	(247)	(255)
Impairment of non-current assets	-	(920)
Borrowing costs expense	(307)	(337)
Other expenses	(2,371)	(2,635)
Loss before income tax expense	(804)	(1,567)
Income tax expense	-	(6)
Net loss for the year	(804)	(1,573)
Other comprehensive income		
Exchange differences on translation of foreign operations	(48)	33
Total comprehensive loss for the year	(852)	(1,540)

Basic loss per share (cents per share)	0.666 cents	1.304 cents
Diluted loss per share (cents per share)	0.666 cents	1.304 cents

BALANCE SHEET

	2011 A$ 000	2010 A$ 000
CURRENT ASSETS		
Cash and cash equivalents	1,721	3,194
Trade and other receivables	1,356	1,471
Inventories	982	1,420
Other	12	33
TOTAL CURRENT ASSETS	4,071	6,118
NON-CURRENT ASSETS		
Property, plant and equipment	4,018	4,445
Intangible assets	203	22
TOTAL NON-CURRENT ASSETS	4,221	4,467
TOTAL ASSETS	8,292	10,585
CURRENT LIABILITIES		
Trade and other payables	765	759
Borrowings	2,501	2,558
Current tax liabilities	29	32
Other liabilities	289	1,011
TOTAL CURRENT LIABILITIES	3,584	4,360
NON-CURRENT LIABILITIES		
Borrowings	914	1,579
TOTAL NON-CURRENT LIABILITIES	914	1,579
TOTAL LIABILITIES	4,498	5,939
NET ASSETS	3,794	4,646
EQUITY		
Issued capital	7,680	7,554
Forex translation reserve	13	61
Accumulated losses	(3,899)	(2,969)
TOTAL EQUITY	3,794	4,646

STATEMENT OF CHANGES IN EQUITY

EQUITY	Ordinary Shares A$ 000	Accumulated Losses A$ 000	Other Reserve A$ 000	Total A$ 000
Balance as at 1 July 2009	2,572	(1,396)	28	1,204
Loss for the year		(1,573)	-	(1,573)
Shares issued during the year	4,982	-	-	4,982
Exchange differences arising on translation of foreign operations	-	-	33	33
Balance as at 30 June 2010	7,554	(2,969)	61	4,646
Balance as at 1 July 2010	7,554	(2,969)	61	4,646
Loss for the year		(804)	-	(804)
Exchange differences arising on translation of foreign operations	-	-	(48)	(48)
Balance as at 30 June 2011	7,554	(3,773)	13	3,794

STATEMENT OF CASH FLOWS

	2011 A$ 000	2010 A$ 000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,099	6,292
Payments to suppliers and employees	(5,874)	(8,122)
Interest received	56	50
Finance costs	(307)	(337)
Government grant	-	157
Income tax paid	(53)	(21)
Net cash (used in) operating activities	(79)	(1,981)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(275)	(10)
Loan to other entity	-	408
Net cash (used in) / generated from investing activities	(275)	398
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	2,975
Proceeds from borrowings	234	309
Repayment of borrowings	(836)	(1,080)
Net cash (used in) / generated from financing activities	(1,190)	2,204
Net (decrease) / increase in cash held	(1,190)	621
Cash at the beginning of the financial year	2,409	1,755
Effect of currency fluctuations on cash	(190)	33
Cash at the end of the financial year	1,029	2,409

Reconciliation to Cash Flow Statement
For the purposes of the cash flow statement, 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 as per balance sheet	1,721	3,194
Bank overdraft	(692)	(785)
Cash and cash equivalents as per cash flow statement	1,029	2,409

NOTES

1 BASIS OF PREPARATION

The preliminary final report of Holista CollTech Limited for the year ended 30 June 2011 does not include all notes of the type normally included within the annual financial report and therefore can not be expected to provide as full understanding of the financial performance, financial position and cash flow of the company as the full financial report.

(a) Basis of accounting

This preliminary final report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The preliminary final report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The preliminary final report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (A$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100.

Unless otherwise detailed in this note, accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2010 annual report.

2 REVENUE

	2011 A$ 000	2010 A$ 000
Operating activities		
Sale of goods	6,021	6,235
Interest received on deposits	57	50
Income – government assistance	-	430
Other	-	15
	6,078	6,730

3 FINANCIAL RESULTS

The group recorded a lower net loss of A$851,501 for the year ended 30 June 2011 compared to a net loss of A$1,540,000 for the year ended 30 June 2010.

The improvement was mainly attributed to :-

	A$ 000
- The write down of intangible asset in 2010	(920)
- Staff cost saving in Australia Operation	(200)
- Increased in Advertising & Promotion	350

4 RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT / (LOSS) AFTER INCOME TAX

Reconciliation of loss for the year to net cash used in operating activities :	2011	2010
	A$ 000	A$ 000
Net Loss	(803)	(1,573)
Adjustments for non-cash items :		
Depreciation	247	255
Impairment of intangible asset	-	920
Exchange different on translation of foreign operations	189	-
(Increase)/decrease in assets :		
Receivables	248	(296)
Inventories	255	(591)
Other Assets	-	33
Increase/(decrease) in liabilities :		
Trade and other creditors	(215)	(729)
Net cash (used in) operating activities	(79)	(1,981)

5 DISCONTINUED OPERATIONS

There were no entities over which control was gained or lost during the year.

6 DETAILS OF INDIVIDUAL AND TOTAL DIVIDENDS AND DIVIDEND PAYMENTS

Date the final dividend is payable	N/A
Record date to determine entitlements to the dividend	N/A
Has the dividend been declared	N/A

Other disclosures in relation to dividends
The Directors have not declared a dividend and no dividends have been paid during the year.

7 NET ASSET BACKING

	2011 Cents per share	**2010 Cents per share**
Net tangible assets per share	3.146	3,568

8 CONTINGENT LIABILITY

There are no known contingent liabilities.

9 SEGMENT REPORTING

The Malaysian business is the only business producing significant revenue, and as such, it currently represents the group's sole reportable segment. The directors are of the opinion that the statement of comprehensive income of Holista CollTech Ltd's group is equivalent to the operating segment identified above and as such no further disclosure is being provided.

10 ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD

Category of securities	**Total number**	**Number quoted**
Ordinary securities	129,603,281	129,603,281

11 EARNINGS PER SHARE (EPS)

	2011	**2010**
Reconciliation of earnings to profit or loss		
Profit /(loss)	(803,582)	(1,572,895)
Earnings used to calculate basic EPS	(803,582)	(1,572,895)
Earnings used in the calculation of dilutive EPS	(803,582)	(1,572,895)
	No. of shares	No. of shares
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	129,603,281	120,602,915
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	129,603,281	120,602,915

12 CONTROL OVER ENTITIES WHICH HAS BEEN GAINED OR LOST DURING THE YEAR

The Company has no entities which has been gained or lost during the year**.**

13 ASSOCIATES AND JOINT VENTURES

Name of Company	**Place of incorporation**	**Effective Interest (%)**	**Principal activity**
Click Cap Tech Sdn Bhd	Malaysia	50	Dormant
Equinox Herbals Limited	India	40	Dormant

14 OTHER SIGNIFICANT INFORMATION

The Company does not have other significant information.

15 FOREIGN ENTITIES

The Company is an Australian entity and reports under Australian accounting standards.

16 AUDIT DISPUTES AND QUALIFICATIONS

There are no known audit disputes or qualifications.

17 STATEMENTS IN RELATION TO ACCOUNTS AND AUDIT

This report is based on accounts to which one of the following applies.

☐	The accounts have been audited (refer audit attached report).	☐	The accounts have been subject to review (refer attached review report).
☑	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

Sign here: .... Date: ...30 August 2011
(Company Secretary)

Print name: Ben Donovan