Vita Life Sciences Limited
Appendix 4D
For the half year ended 30 June 2016

To :	Company Announcements		
Company:	Australian Securities Exchange	Fax No.:	
Date:	22 August 2016	No. of pages	32 incl. cover
From:	Terry Kong	Fax No.:	
Subject :	**Appendix 4D**		

Please see attached 30 June 2016 Half Yearly Report for Vita Life Sciences Limited (ASX - VSC).

This announcement is made pursuant to Listing rule 4.2A.3. For all enquiries please contact

Terry Kong
Vita Life Sciences Limited

Telephone 03 9828 0500

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1. Company details

Name of entity

VITA LIFE SCIENCES LIMITED

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
35 003 190 421	30 June 2016	30 June 2015

The information contained in this report is to be read in conjunction with Vita Life Sciences Limited's 2015 Annual Report and any announcements to the market by Vita Life Sciences Limited during the half year ended 30 June 2016. (All comparisons to period ended 30 June 2015)

2. Results for announcement to the market

			Percentage Change %	2016 A$'000
2.1	**Revenue**	down	(0.62)	18,091
	Profit before income tax	up	27.14	2,951
2.2	**Net profit after tax**	up	19.01	1,853
2.3	**Net profit attributable to members**	up	18.18	1,872

	Dividends (distributions)			**Amount per security**	**Franked amount per security**
2.4					
2.5	Interim 2016 dividend	Ex-Dividend Record Date To Be Paid	20 September 2016 22 September 2016 30 September 2016	1.5 cents	0.0 cents
	Final 2015 dividend	Paid	24 March 2016	2.25 cents	0.0 cents

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

For the reporting period the Group recorded revenue of $18.09 million, down marginally (0.06%) on the prior corresponding period (PCP) and consolidated profit after tax attributable to members of $1.87 million, an increase of 18.2% on the PCP of $1.58 million.

Included in the income tax expense of $1.10 million for the financial period was $0.23m of prior year under provision income tax expense.

A summary of the Group's individual business units' performance follows:

Australia:
Revenue increased 12.3% against PCP to $8.09 million. The revenue base of the Herbs of Gold brand was sustained in a competitive environment, and rollout of the VitaScience brand in the pharmacy channel continued. The sale of Herbs of Gold under international distribution agreements continues to develop and grow. Operational EBIT excluding corporate costs increased by 25.1% and was achieved as a result of the focus on high quality products and continued leveraging of the fixed cost base.

Singapore:

Revenue was consistent with PCP at $3.14 million. However EBIT decreased 15.5% against half year 2015 due to the impact of lower margin Herbs of Gold sales during the brand's establishment phase.

Malaysia:

Revenue was consistent with PCP at $5.64 million and EBIT improved by 10.6%. The performance is pleasing given the difficult economic and trading conditions in that country.

Revenue from Malaysian MLM business contracted to $0.22 million resulting in losses against a profit in PCP. The lower performance was mainly due to the turnover of key distributors.

Others: Vietnam, Thailand, China, Indonesia,
Whilst Vietnam and Thailand continued to grow steadily, product regulation issues in China contributed to continuing investment by the Company with EBIT losses of $0.49 million.

Preparations for the Indonesian business are reaching completion, with a view to commence selling in late 2016.

The Group's divisional result for 1st Half 2016 is summarised in the table overleaf:

Year ended 30 June	2016			2015		
	Health $'000	Investment $'000	Total $'000	Health $'000	Investment $'000	Total $'000
Revenue						
Sales to external customers	18,091	-	18,091	18,204	-	18,204
Total segment revenue	18,091	-	18,091	18,204	-	18,204
Result						
Segment results	3,066	10	3,076	2,590	(3)	2,587
Unallocated expenses	-	-	(89)	-	-	(213)
Earnings before interest and tax			2,987			2,374
Net interest			(36)			(53)
Profit before income tax			2,951			2,321
Income tax benefit / (expense)			(1,098)			(764)
Net profit for the period			1,853			1,557

3. Net tangible assets

	30 June 2016	30 June 2015
Net Tangible Assets per security	$0.41	$0.36

4. Entities over which control has been gained or lost during the period

Gain of control over entities Nil

Loss of control over entities Nil

5. Dividends

An unfranked dividend of 2.25 cents per share amounting to $1.24 million was paid on 24 March 2016 in relation to the year ended 31 December 2015. 100% of this dividend was paid out of Conduit Foreign Income.

Directors have declared the payment of an unfranked interim dividend for the six months to June 2016 of 1.5 cents per ordinary share as disclosed at point 2.4 above. This dividend will be paid 100% out of Conduit Foreign Income.

6. Dividend Reinvestment plans

The Board of Directors have resolved to suspend the Company's DRP until further notice.

7. Details of associates and joint venture entities

Investment details	Place of Incorporation	Ownership interest 30 June 2015	Incorporation
Name of Company:			
- Mitre Focus Sdn Bhd (unlisted)	Malaysia	6.3%	6.3%

8. For foreign entities, which accounting standards were used in compiling this report.

International Financial Reporting Standard - IFRS

9. Information on Audit or Review

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

The accounts have been subject to review	☑
The accounts are in the process of being subject to review	☐
The accounts have not yet been reviewed	☐

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

Not applicable

Vita Life Sciences Limited

Half Year Report 30 June 2016

Vita Life Sciences Limited and its Controlled Entities
ABN 35 003 190 421

Contents

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Directors' Report

The Directors of Vita Life Sciences Limited ("Company" or "Vita Life") submit their report together with the financial report for Vita Life and its controlled entities for the half year ended 30 June 2016.

Directors

The names of the Company's directors in office throughout and since the end of the last financial period are set out below.

Mr Vanda R Gould	Non-executive chairman
Mr Eddie L S Tie	Managing director
Mr Henry G Townsing	Executive director
Mr Jonathan J Tooth	Non-executive director

All directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

During the period in review the principal continuing activities of the consolidated entity consisted of formulating, packaging, sales and distribution of vitamins and supplements, and investment.

OPERATING AND FINANCIAL REVIEW

Operating Results for the Half Year

For the reporting period the Group recorded revenue of $18.09 million, down marginally (0.06%) on the prior corresponding period (PCP) and consolidated profit after tax attributable to members of $1.87 million, an increase of 18.2% on the PCP of $1.58 million.

Included in the income tax expense of $1.10 million for the financial period was $0.23m of prior year under provision income tax expense.

A summary of the Group's individual business units' performance follows:

<u>Australia</u>:

Revenue increased 12.3% against PCP to $8.09 million. The revenue base of the Herbs of Gold brand was sustained in a competitive environment, and rollout of the VitaScience brand in the pharmacy channel continued. The sale of Herbs of Gold under international distribution agreements continues to develop and grow. Operational EBIT excluding corporate costs increased by 25.1% and was achieved as a result of the focus on high quality products and continued leveraging of the fixed cost base.

<u>Singapore</u>:

Revenue was consistent with PCP at $3.14 million. However EBIT decreased 15.5% against half year 2015 due to the impact of lower margin Herbs of Gold sales during the brand's establishment phase.

Directors' Report
(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Malaysia:

Revenue was consistent with PCP at $5.64 million and EBIT improved by 10.6%. The performance is pleasing given the difficult economic and trading conditions in that country.

Revenue from Malaysian MLM business contracted to $0.22 million resulting in losses against a profit in PCP. The lower performance was mainly due to the turnover of key distributors.

Others: Vietnam, Thailand, China, Indonesia,
Whilst Vietnam and Thailand continued to grow steadily, product regulation issues in China contributed to continuing investment by the Company with EBIT losses of $0.49 million.

Preparations for the Indonesian business are reaching completion, with a view to commence selling in late 2016.

ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 dated 1 April 2016 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have received an Independence Declaration from the external auditor, Nexia Sydney Audit Pty Ltd. A copy of this Declaration follows the Directors Report.

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

Eddie L S Tie
Managing Director
Kuala Lumpur, 22 August 2016

22 August 2016

The Board of Directors
Vita Life Sciences Limited
Suite 650, Level 6
1 Queens Road. St Kilda Towers
MELBOURNE VIC 3004

Lead Auditor's Independence Declaration

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the review of the financial statements of Vita Life Sciences Limited for the half year ended 30 June, 2016, I declare that, to the best of my knowledge and belief, there has been no contravention of:

- the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- contraventions of any applicable code of professional conduct in relation to the review.

Nexia Sydney Audit Pty Ltd
Chartered Accountants

Stephen Fisher
Director

Condensed Consolidated Statement of Comprehensive Income

For the half year ended 30 June 2016

	Notes	2016 $'000	2015 $'000
CONTINUING OPERATIONS			
Sale of goods		18,091	18,204
Cost of sales		(5,529)	(5,402)
Gross profit		12,562	12,802
Other income		243	11
Distribution expenses		(1,744)	(1,571)
Marketing expenses		(1,283)	(1,456)
Occupancy expenses		(490)	(422)
Administrative expenses		(6,187)	(6,692)
Other expenses		(127)	(296)
Share of associate's profit/(loss)		13	(2)
Profit from continuing operations before interest and taxes		2,987	2,374
Finance income		51	82
Finance costs		(87)	(135)
Profit before income tax		2,951	2,321
Income tax benefit / (expense)		(1,098)	(764)
Net profit for the half year		**1,853**	**1,557**
Other comprehensive income after income tax			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign controlled entities		234	60
Other comprehensive income (loss) for the half year, net of income tax		234	60
Total comprehensive income for the half year		**2,087**	**1,617**
Net profit/(loss) for the period attributable to:			
Non-controlling interest		(19)	(27)
Members of the parent		1,872	1,584
		1,853	1,557
Total comprehensive income attributable to:			
Non-controlling interest		2	(28)
Members of the parent		2,085	1,645
		2,087	1,617
Earnings per share (cents per share)			
- basic earnings per share	5	3.39	2.84
- diluted earnings per share	5	3.28	2.79

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Financial Position

As at 30 June 2016

	Notes	30 June 2016 $'000	31 December 2015 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		8,016	9,734
Trade and other receivables		6,621	6,482
Inventories		7,055	6,593
Other assets		622	715
Total Current Assets		22,314	23,524
Non Current Assets			
Investment in associates		1,001	937
Property, plant and equipment		9,495	7,629
Intangible assets		103	86
Deferred tax assets		190	207
Other assets		-	5
Total Non Current Assets		10,789	8,864
Total Assets		**33,103**	**32,388**
LIABILITIES			
Current Liabilities			
Trade and other payables		4,885	5,785
Interest bearing loans and borrowings		294	243
Current tax liability		1,157	178
Provisions		653	663
Total Current Liabilities		6,989	6,869
Non Current Liabilities			
Deferred Tax Liability		23	21
Interest bearing loans and borrowings		2,522	2,567
Provisions		76	55
Total Non Current Liabilities		2,621	2,643
Total Liabilities		**9,610**	**9,512**
Net Assets		**23,493**	**22,876**
EQUITY			
Contributed equity	6	44,799	44,911
Accumulated losses		(21,235)	(21,863)
Employee share based payments reserve		844	958
Foreign currency translation reserve		(948)	(1,180)
Parent entity interest		23,460	22,826
Non-controlling interest		33	50
Total Equity		**23,493**	**22,876**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Cash Flow

For the half year ended 30 June 2016

	Notes	30 June 2016 $'000	30 June 2015 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		19,628	20,096
Payments to suppliers and employees		(18,649)	(16,669)
Income tax paid		(100)	(404)
Interest received		51	82
Borrowing costs		(56)	(135)
Net cash flows provided by operating activities		874	2,970
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,552)	(93)
Net cash flows used in investing activities		(1,552)	(93)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from external borrowings		6	-
Proceeds from issue of shares		-	88
Dividends Paid		(1,244)	(1,118)
Shares bought back (net of costs)		(112)	(159)
Net cash flows provided by / (used in) financing activities		(1,350)	(1,189)
Net (decrease)/increase in cash and cash equivalents		(2,028)	1,688
Net foreign exchange differences		310	(70)
Cash and cash equivalents at beginning of the period		9,734	9,158
Cash and cash equivalents at end of the period		**8,016**	**10,776**

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Changes in Equity

for the half year ended 30 June 2016

	Note	Contributed Equity $'000	Employee Share Based Payments Reserve $'000	Accumulated Losses $'000	Foreign Currency Translation Reserve $'000	Attributable to Equity Holders of Parent $'000	Non-controlling Interest $'000	Total $'000
Balance at 1 January 2016		44,911	958	(21,863)	(1,180)	22,826	50	**22,876**
Comprehensive income								
Profit attributable to members of parent entity		-	-	1,872	-	1,872	(19)	**1,853**
Other comprehensive income (loss) for the period		-	-	-	232	232	2	**234**
Total comprehensive income for the period		-	-	1,872	232	2,104	(17)	**2,087**
Transactions with owners, in their capacity as owners								
Shares bought back	6	(112)	-	-	-	(112)	-	**(112)**
Employee share option scheme		-	(114)	-	-	(114)	-	**(114)**
Dividends paid	7	-	-	(1,244)	-	(1,244)	-	**(1,244)**
Total transactions with owners		(112)	(114)	(1,244)	-	(1,470)	-	**(1,470)**
Balance at 30 June 2016		**44,799**	**844**	**(21,235)**	**(948)**	**23,460**	**33**	**23,493**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Half Year Report.

Condensed Consolidated Statement of Changes in Equity

for the half year ended 30 June 2016 (Cont.)

	Note	Contributed Equity $'000	Employee Share Based Payments Reserve $'000	Accumulated Losses $'000	Foreign Currency Translation Reserve $'000	Attributable to Equity Holders of Parent $'000	Non-controlling Interest $'000	Total $'000
Balance at 1 January 2015		45,429	704	(24,307)	(357)	21,469	96	**21,565**
Comprehensive income								
Profit attributable to members of parent entity		-	-	1,584	-	1,584	(27)	**1,557**
Other comprehensive income for the period		-	-	-	61	61	(1)	**60**
Total comprehensive income for the period		-	-	1,584	61	1,645	(28)	**1,617**
Transactions with owners, in their capacity as owners								
Shares bought back	6	(159)	-	-	-	(159)	-	**(159)**
Repayment of loans on Employee share option scheme		88	-	-	-	88	-	**88**
Employee share option scheme		-	12	-	-	12	-	**12**
Dividends paid	7	-	-	(1,118)	-	(1,118)	-	**(1,118)**
Total transactions with owners		(71)	12	(1,118)	-	(1,177)	-	**(1,177)**
Balance at 30 June 2015		45,358	716	(23,841)	(296)	21,937	68	**22,005**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Half Year Report.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

1. CORPORATE INFORMATION

The Half Year financial report of Vita Life Sciences Limited ("Vita Life") and its controlled entities ("the Group") for the half year ended 30 June 2016 was authorised for issue by a resolution of the directors on the date of this report.

Vita Life is a Company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ("ASX").

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. BASIS OF PREPARATION

These general purpose condensed consolidated financial statements for the half-year reporting period ended 30 June 2016, have been prepared in accordance with the requirements of the *Corporations Act 2001*, and Australian Accounting Standard AASB 134 "Interim Financial Reporting." The 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 Vita Life Sciences Limited. 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 31 December 2015, together with any public announcements made during the following half-year.

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.

The half-yearly condensed consolidated financial statements have been prepared on a historical cost basis.

New and amended accounting standards and interpretations adopted by the Group

The Group adopted the following Australian Accounting Standards (new and amended) from the mandatory application date of 1 January 2016. The new and amended Standards are not expected to have a significant impact on the Group's financial statements.

AASB 1057: Application of Australian Accounting Standards

This Standard deletes the application paragraphs previously contained in each Australian Accounting Standard (or interpretation) and moves them into this Standard. The application requirements of each other Australian Accounting Standard have not been amended.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

2. BASIS OF PREPARATION (CONTINUED)

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method as per AASB 3.

The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016. As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity upon initial application of the Standard.

AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)

These amendments to AASB 116 and AASB 138 clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The standard also clarified that revenue is generally presumed to be an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

AASB 2014-6: Agriculture: Bearer Plants (Amendments to AASB 116 and AASB 141)

AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants amends AASB 116 and AASB 141 to add a definition of bearer plant and includes bearer plants within the scope of AASB 116 instead of AASB 141.

AASB 2014-9: Equity Method in Separate Financial Statements (Amendments to AASB 127)

Amends IAS 27 to permit entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

2. BASIS OF PREPARATION (CONTINUED)

AASB 2015-1: Annual Improvements to Australian Accounting Standards 2012-2014

This Standard makes amendments to various Accounting Standards arising from the IASB's Annual Improvements process, namely:

AASB 5 – changes in methods of disposal from sale to distribution
AASB 7 – applicability of disclosures to servicing contracts and interim financial statements
AASB 119 – clarifies that the government bond rate used in measuring employee benefits should be those denominated in the same currency
AASB 134 – permits the cross referencing of disclosures elsewhere in the financial report

AASB 2015-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.

AASB 2015-5: Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception

The Standard amends AASB 10, AASB 12 and AASB 128:

a) to confirm that the exemption from preparing consolidated financial statements set out in paragraph 4(a) of AASB 10 is available to a parent entity that is a subsidiary of an investment entity;
b) to clarify the applicability of AASB 12 to the financial statements of an investment entity; and
c) to introduce relief in AASB 128 to permit a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

AASB 2015-9: Amendments to Australian Accounting Standards – Scope And Application Paragraphs

These amendments correct previous drafting errors resulting from the introduction of AASB 1057 and reintroduce the scope paragraphs of AASB 8 and AASB 133 into those Standards.

There is no change to the requirements or the applicability of AASB 8 and AASB 133.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

2. BASIS OF PREPARATION (CONTINUED)

New accounting standards and interpretations not yet adopted

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

Applicable to annual reporting periods beginning on or after 1 July 2016:

AASB 2014-1: Amendments to Australian Accounting Standards (Part D)

Part D of this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14: Regulatory Deferral Accounts in June 2014. AASB 14 permits first-time adopters to continue to account for amounts related to rate regulation in accordance with their previous GAAP when they adopt Australian Accounting Standards. In line with management's assessment of AASB 14, this part is not expected to have a significant impact on the Group's financial statements.

Applicable to annual reporting periods beginning on or after 1 January 2017:

These amendments to Standards are not expected to have a significant impact on the Group's financial statements.

AASB 2016-1: Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Lossess [AASB 112]

This Standard amends AASB 112 Income Taxes to clarify the circumstances in which the recognition of deferred tax assets may arise in respect of unrealised losses on debt instruments measured at fair value.

AASB 2016-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This Standard amends AASB 107 Statement of Cash Flows to include additional disclosures and reconciliation relating to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Applicable to annual reporting periods beginning on or after 1 January 2018:

AASB 2016-3: Amendments to Australian Accounting Standards – Clarification to AASB 15

This Standard amends AASB 15 Revenue from Contracts with Customers to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15. This amended Standard is not expected to have a significant impact on the Group's financial statements.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

2. BASIS OF PREPARATION (CONTINUED)

AASB 2014-10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)

Amend AASB 10 and AASB 128 to remove the inconsistency in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The mandatory application date of AASB 2014-10 has been amended and deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2015-10. This amended Standard is not expected to have a significant impact on the Group's financial statements.

AASB 9: Financial Instruments and associated Amending Standards

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

2. BASIS OF PREPARATION (CONTINUED)

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Applicable to annual reporting periods beginning on or after 1 January 2019:

AASB 16: Leases

AASB 16 replaces AASB 117 Leases and set out the principles for the recognition, measurement, presentation and disclosure of leases.

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted provided the entity also applies AASB 15 Revenue from Contracts with Customers at or before the same date.

Although the Directors anticipate that the adoption of AASB 16 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

3. SEGMENT REPORTING

	Australia $'000	Singapore $'000	Malaysia $'000	Others $'000	Total $'000
Half year ended 30 June 2016					
Revenue					
Sales to external customers	8,087	3,141	5,865	998	18,091
Total segment revenue	8,087	3,141	5,865	998	18,091
Segment results					
Earnings before interest and tax	1,988	814	665	(493)	2,974
Net interest	18	(2)	(49)	(3)	(36)
Share of profit of associates	-	-	-	13	13
Profit before income tax					2,951
Income tax benefit/ (expense)					(1,098)
Net profit for the period					1,853
Assets and liabilities					
Segment assets	10,452	3,154	16,404	2,092	32,102
Investment in associates				1,001	1,001
Total assets					33,103
Segment liabilities	3,848	496	5,102	164	9,610
Total liabilities					9,610
Other segment information					
Capital expenditure	(1)	(4)	(1,471)	(76)	(1,552)
Depreciation	(4)	-	(53)	(16)	(73)
Amortisation	-	-	(9)	(1)	(10)

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

3. SEGMENT REPORTING (CONTINUED)

	Australia $'000	Singapore $'000	Malaysia $'000	Others $'000	Total $'000
Half year ended 30 June 2015					
Revenue					
Sales to external customers	7,203	3,153	6,745	1,103	18,204
Total segment revenue	7,203	3,153	6,745	1,103	18,204
Segment results					
Earnings before interest and tax	1,388	963	652	(545)	2,458
Net interest	(14)	(1)	(116)	(4)	(135)
Share of loss of associates				(2)	(2)
Profit before income tax					2,321
Income tax expense					(764)
Net profit for the period					1,557
Assets and liabilities					
Segment assets	9,229	3,483	15,331	2,291	30,334
Investment in associates					1,029
Total assets					31,363
Segment liabilities	2,885	806	5,496	171	9,358
Total liabilities					9,358
Other segment information					
Capital expenditure	(28)	(20)	(37)	(8)	(93)
Depreciation	(5)	3	(28)	(5)	(35)
Amortisation	-	(7)	(1)	-	(8)

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

4. NET TANGIBLE ASSETS

	30 June 2016 $	30 June 2015 $
Net assets per share	0.41	0.38
Net tangible assets per share	0.41	0.36
	Number	**Number**
Number of ordinary shares for net assets per share	56,872,339	57,709,730

5. EARNINGS PER SHARE

	30 June 2016 $'000	30 June 2015 $'000
Net profit attributable to equity holders from continuing operations	1,853	1,557
(Profit) / loss attributable to non-controlling interest	19	27
Earnings used to calculate basic and dilutive earnings per share	**1,872**	**1,584**

(b) Weighted average number of shares

	30 June 2016 Number	30 June 2015 Number
Weighted average number of ordinary shares for basic earnings per share	55,257,506	55,783,201
Adjusted weighted average number of ordinary shares for diluted earnings per share. Long Term Incentive Plan shares are classified as dilutive for the purposes of this calculation.	57,099,172	56,707,368

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

6. ISSUED CAPITAL

	30 June 2016 Number	30 June 2015 Number	30 June 2016 $	30 June 2015 $
Issued and paid up capital				
Ordinary shares	**56,872,339**	**57,709,730**	**44,799,556**	**45,358,247**
Ordinary shares				
Balance at beginning of the period	57,197,839	56,466,189	44,911,156	45,428,667
Share buy back (a)	(83,000)	(113,959)	(111,600)	(158,420)
Cancellation of Plan Shares of certain employees and directors (b)	(242,500)	(242,500)	-	-
Issue of shares to employee / director (c)	-	1,600,000	-	-
Plan shares exercised	-	-	-	88,000
Balance at end of the period	**56,872,339**	**57,709,730**	**44,799,556**	**45,358,247**

a) A total of 83,000 ordinary shares were bought back in the half year ended 30 June 2016 as approved by the shareholders in the 12 May 2016 and 25 May 2015 Annual General Meetings at a total cost of $111,600 (Half year ended 30 June 2015: A total of 113,959 ordinary shares were bought back at a total cost of $158,420).

b) In 2014, the Company granted limited recourse loans and approved the issue of 242,500 ordinary shares to senior executives of the Group under the Long Term Incentive Plan.

In view of the resignation of the senior executives during the period without having met vesting conditions, the Company cancelled the 242,500 Plan shares issued in accordance with the terms of the Plan.

c) During the half year ended 30 June 2015, the Company approved loans to the Managing Director Mr Eddie Tie totaling $624,000 in order for Mr Tie to purchase a total of 400,000 shares under the Company's Long Term Incentive Plan.

During the half year ended 30 June 2015, the Company approved loans to Executive Director Mr Henry Townsing totaling $1,560,000 in order for Mr Townsing to purchase a total of 1,000,000 shares under the Company's Long Term Incentive Plan.

The issue of these shares was authorized at the Company's Annual General Meeting held on 25 May 2015.

During the half year ended 30 June 2015, the Company also approved loans to one senior executive of the Group totaling $320,000 in order for the executive to purchase a total of 200,000 shares under the Company's Long Term Incentive Plan.

The cost of the equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they were granted. The cost is recognised in the income statement together with a corresponding increase in equity, over the period in which the performance and / or service conditions are fulfilled (the vesting period), ending on the date on which the employees become fully entitled to the award (the vesting date).

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

6. ISSUED CAPITAL (CONTINUED)

For the half year ended 30 June 2016, the Company recognised net income of $114,000 (1st Half 2015: net expense of $11,820) in the income statement with a corresponding decrease in employee share based payment reserve (1st Half 2015: increase in employee share based payment reserve).

7. DIVIDEND

An unfranked dividend of 2.25 cents per share amounting to $1,244,000, fully paid out of conduit foreign income (2015: 2.0 cents per share unfranked totalling $1,118,000) was paid on 24 March 2016 in relation to the year ended 31 December 2015.

An unfranked interim dividend of 1.5 cents per share, to be fully paid out of conduit foreign income, has been declared and will be paid on 30 September 2016. The record date for the interim dividend is 22 September 2016.

8. COMMITMENTS

Capital commitments at 30 June 2016 for the fit out of the Group's new office, warehousing and laboratory premises in Kuala Lumpur are $713,000.

9. EVENTS AFTER THE BALANCE SHEET DATE

There are no matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in future financial years.

10. CONTINGENT ASSETS AND LIABILITIES

The Group has no contingent assets or liabilities as at 30 June 2016.

11. RELATED PARTIES DISCLOSURES

Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial period.

	30 June 2016 $'000	30 June 2015 $'000
Business Intelligence & Support Inc (i)	299	258
CVC Venture Managers Pty Ltd (ii)	57	87
Pilmora Pty Ltd (iii)	12	12
Henslow Pty Ltd (iv)	12	-
Vanda Gould	30	-

(i) During the financial period, Business Intelligence & Support Inc., a company in which Mr Eddie L S Tie is a director, and therefore a related party, provided international business advisory, sales, marketing and promotion services to the Group. An immaterial amount was payable (less then $1,000), and is included in trade and other creditors (30 June 2015: $175,864).

Notes to the Condensed Consolidated Financial Statements

for the half year ended 30 June 2016

11. RELATED PARTY DISCLOSURES (CONTINUED)

(ii) CVC Venture Managers Pty Limited, a company in which Mr Henry Townsing is a director, was paid consultancy fees during the financial period. No amount remained payable as at 30 June 2016 (30 June 2015: $2,401).

(iii) Pilmora Pty Ltd, a company in which Mr Henry Townsing is a director, was paid director's fees during the financial period. No amount remained payable as at 30 June 2016 (30 June 2015: $11,500).

(iv) Henslow Pty Ltd, a company in which Mr Jonathan Tooth is a principal and therefore a related party, was paid director's fees during the financial period. $5,750 was payable as at 30 June 2016 and is included in trade and other creditors (30 June 2015: Nil).

(v) Mr Vanda Gould had provided his services as a Director to the Group during the financial period. $30,000 was payable as at 30 June 2016 (30 June 2015: Nil).

Directors' Declaration

In the opinion of the directors of Vita Life Sciences Limited:

1. (a) The financial statements and notes of the consolidated entity are 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 2016 and its performance for the half-year ended on that date; and

   (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, Corporations Regulations 2001.

   (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001:

Eddie L S Tie
Managing Director
Kuala Lumpur, 22 August 2016

Independent Review Report

To the members of Vita Life Sciences Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vita Life Sciences Limited and the entities it controlled during the period which comprises the condensed consolidated statement of financial position as at 30 June 2016, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed 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 on the Half-Year Financial Report

The directors of Vita Life Sciences 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 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 an Interim 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 financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 30 June 2016 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 auditor of Vita Life Sciences 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. Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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Matters Relating to Electronic Publication of the Reviewed Financial Report

This review report relates to the financial report of Vita Life Sciences Limited for the half year period ended 30 June 2016 included on the website of Vita Life Sciences Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on this integrity. This review report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of the financial report are concerned with the inherent risk arising from publication on a website, they are advised to refer to the hard copy of the reviewed financial report to confirm the information contained in this website version of the financial report.

Independence

In conducting our review, we have 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 Vita Life Sciences Limited and the entities it controlled during the period 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 30 June 2016 and of its performance for the half-year ended on that date; and

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

Nexia Sydney Audit Pty Ltd
Chartered Accountants

Stephen Fisher
Director

Sydney, 22 August 2016

General Information

Board of Directors

Vanda Gould
Chairman

Eddie L S Tie
Managing Director

Jonathan Tooth
Non-Executive Director

Henry Townsing
Executive Director

Company Secretary
Monica Jovanov

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Securities Exchange Listing
The ordinary shares of Vita Life Sciences Limited are listed on the Australian Securities Exchange Ltd (code: VSC).

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Banker
Westpac Banking Corporation

National Australia Bank Limited

Solicitor
Mark Ord

Share Registry
RB Registries
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Change of Address
Shareholders who have changed address should advise our share registry in writing.

Annual Report Mailing
Shareholders who do not want the annual report or who are receiving more than one copy should advise the share registry in writing.

Vita Life Website
Vita Life has a website containing information about the Company, its Business and Products.

www.vitalifesciences.com.au