



PRELIMINARY FINAL REPORT

For the Year Ending 30 June 2013
(Incorporating information pursuant to ASX listing rule 4.3A)

Directors Commentary

There were a number of significant events during the financial year relating to the operations of the Company and which are set out below:

- The Company was placed into voluntary administration in the previous year and subsequently a deed of company arrangement (DOCA) was executed on 17 July 2012. Under the terms of the DOCA, the administrators were appointed as deed administrators of the DOCA (Deed Administrators).
- Under the DOCA, the main business undertaking of Style was not sold. The Deed Administrators only realised cash, stock, book debts and insurance rebates. However, the Deed Administrators suspended all trading activities and made all Style employees redundant.
- The Deed Administrators have paid all of the claims of creditors including employee entitlements and the DOCA was effectuated on 7 February 2013.
- On 14 May 2013, the Company has completed the consolidation of its share capital on the basis of every 100 Shares consolidated into 1 Share and every 100 Options consolidated into 1 Option.
- On 16 May 2013, the Company has completed the Recapitalisation announced on 7 November 2012 by issuing 530,000,000 Ordinary Shares and 150,000,000 unlisted options comprised as follows:
 - 30,000,000 fully paid ordinary shares issued at \$0.00001 each to raise \$300 and 500,000,000 fully paid ordinary shares issued at \$0.005 to raise \$2,500,000.
 - 50,000,000 unlisted options issued at \$0.00001 each to raise \$500, exercisable on or before 16 May 2017 by payment of \$0.005 each and 100,000,000 unlisted options issued at \$0.00001 each to raise \$1,000, exercisable on or before 16 May 2017 by payment of \$0.01 each.
- The Company was reinstated to Official Quotation on the ASX on 19 June 2013.

The management and affairs of the Company were not under the control of the current Directors during the Voluntary Administration process and the balance of the financial year was largely taken up with settlement and Corporate transactions.

Going Concern

This report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The loss of the Group for the financial year amounted to \$526,248(2012: \$5,102,048). The net assets as at 30 June 2013 were \$1,254,029 (2012: \$517,411 Deficiency).

The Company had been suspended from official quotation for much of the year, following the finalisation of the Deed of Company Arrangement a capital consolidation and recapitalisation, the Company was reinstated to Official Quotation on the ASX on 19 June 2013.

The directors are confident the Group will be able to meet the operational costs and its financial obligations in a timely manner over the next 12 months. The financial report has been prepared on a going concern basis which assumes the realisation of assets and extinguishment of liabilities in the normal course of business.

The Directors consider that the Company remains a going concern and this report has been prepared on this basis.

1. Details of the reporting period

Name of entity:	STYLE LIMITED
ABN:	87 009 248 720
Current Reporting Period	30 June 2013
Previous Reporting period	30 June 2012

2. Results for announcement to the market

Financial Results	Result \$'000	Increase / (Decrease) %	Increase / (Decrease) \$'000
Revenues from continuing activities	198	(98)	(9,068)
Profit (loss) from continuing activities after tax attributable to members	(527)	n/a	4,574
Net profit (loss) for the period attributable to members	(527)	n/a	4,574

Dividends	Amount per security	Franked amount per security
Final dividend proposed	Nil	n/a
Interim dividend	Nil	n/a
Record date for determining entitlement to the dividend (if any)	n/a	n/a

Comments in respect of results announced to the market

Please refer to the attached Directors commentary.

Net Tangible assets per security

	2013	2012
NTA Backing		
Net tangible asset backing per ordinary share on issue (cents)	0.23c	(0.04)c

3. STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

	Note	Economic Entity	
		2013 \$'000	2012 \$'000
Revenues	3.1	198	9,266
Changes in inventories of finished goods and work in progress		-	(256)
Raw materials and consumables used		(28)	(4,389)
Employee benefits expense		(28)	(1,508)
Depreciation and amortisation expense		-	(189)
Borrowing costs expense		-	(252)
Research and development		-	(30)
Patent costs impaired		-	(221)
Patents costs		(16)	-
Provision for impairment of receivables		-	20
Travel costs		(3)	(233)
Consultants and contractors		(469)	(340)
Marketing, advertising and promotion		-	(284)
Occupancy costs		(9)	(75)
Legal costs and claims		(47)	(60)
Other expenses		(125)	(2,300)
Bad debts / recovered		-	(293)
Share of associated entity loss		-	(229)
Administrator fees		-	(273)
Impairment of associated entity		-	(1,481)
Impairment of inventory		-	(467)
Impairment of property, plant and equipment		-	(1,322)
Loss before income tax expense		(527)	(4,916)
Income tax expense		-	(185)
Loss from continuing operations		(527)	(5,101)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Net gain/(loss) arising from the translation of foreign controlled entities		(30)	311
Income tax on other comprehensive income		-	-
Total comprehensive loss for the year		(557)	(4,790)
Basic earnings per share (cents per share)		(0.041)	(0.44)
Diluted earnings per share (cents per share)		(0.041)	(0.44)

The accompanying notes form part of these financial statements.

4. STATEMENT OF FINANCIAL POSITION

	Note	Economic Entity	
		2013 \$'000	2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents	4.1	1,540	201
Trade and other receivables		58	54
Inventories		-	28
Prepayments		17	8
TOTAL CURRENT ASSETS		1,615	291
Investments accounted for using the equity method		-	-
Property, plant and equipment		-	-
Intangible assets		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		1,615	291
CURRENT LIABILITIES			
Trade and other payables		361	776
Provisions		-	32
TOTAL CURRENT LIABILITIES		361	808
TOTAL LIABILITIES		361	808
NET ASSETS / (DEFICIENCY)		1,254	(517)
EQUITY			
Issued capital	4.2	41,425	39,098
Reserves		759	1,030
Accumulated losses		(40,930)	(40,645)
TOTAL EQUITY (DEFICIENCY)		1,254	(517)

The accompanying notes form part of these financial statements.

5. STATEMENT OF CASH FLOWS

	Note	Economic Entity	
		2013	2012
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		45	5,973
Payments to suppliers and employees		(1,074)	(8,807)
Interest received		5	5
Borrowing costs		-	(4)
Income tax paid		-	(59)
Net cash used in operating activities		<u>(1,024)</u>	<u>(2,892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant equipment		-	(5)
Purchase of intangible assets		(16)	(79)
Refund of bank guarantee		37	-
Net cash provided by (used in) investing activities		<u>21</u>	<u>(84)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,502	2,087
Payments for equity raising costs		(172)	(145)
Proceeds from loans under DOCA		528	-
Repayment of loans		(515)	-
Proceeds from borrowings		-	950
Net cash provided by (used in) financing activities		<u>2,343</u>	<u>2,892</u>
Net decrease in cash held		1,340	(84)
Cash at start of period		201	283
Effect of exchange rates on cash holdings in foreign currencies		(1)	2
Cash at end of period	4.1	<u>1,540</u>	<u>201</u>

The accompanying notes form part of these financial statements.

6. STATEMENT OF CHANGES IN EQUITY

Economic Entity	Issued Capital \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Option Reserve \$'000	Total \$'000
Balance at 1.7.2012	39,098	(40,645)	457	573	(517)
Shares issued during the year	2,500	-	-	-	2,500
Fund raising costs	(173)	-	-	-	(173)
Loss attributable to members of parent entity	-	(527)	(30)	-	(557)
Options issued	-	-	-	1	1
Options expired	-	242	-	(242)	-
Balance at 30.6.2013	<u>41,425</u>	<u>(40,930)</u>	<u>427</u>	<u>332</u>	<u>1,254</u>
Balance at 1.7.2011	37,156	(35,544)	146	439	2,197
Shares issued during the year	2,087	-	-	-	2,087
Fund raising costs	(145)	-	-	-	(145)
Loss attributable to members of parent entity	-	(5,101)	311	-	(4,790)
Lenders' options expense	-	-	-	96	96
Directors' and management options expense	-	-	-	38	38
Balance at 30.6.2012	<u>39,098</u>	<u>(40,645)</u>	<u>457</u>	<u>573</u>	<u>(517)</u>

The accompanying notes form part of these financial statements.

7. Dividends paid or provided for

No dividends declared for the year ended 30 June 2013. Refer to results summary.

8. Dividends reinvestment plan

No dividends or distribution reinvestment plan were in operation during the period ended 30 June 2013.

9. Net Tangible assets per share

Details of net tangible asset backing are set out in the results summary

10. Control gained or lost over entities having material effect

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

11. Details of associates and joint ventures

As reported previously the Company's wholly owned subsidiary Anji Ya Feng Bamboo Products Co. Ltd (AYF), acquired a 25% interest in Anji Tianya Bamboo Co. Ltd. ("Tianya" or "associated entity") in March 2011. Tianya is a joint venture entity with Zhejiang Tianzhen Bamboo and Wood Development Co. Ltd ("TZ").

The associated entity is incorporated in China and its principal activity is the manufacture of strand-woven bamboo products. The Company's investment in AYF and ultimately Tianya was fully impaired in the period ending 30 June 2012.

12. Other significant information

On 6 December 2012, the China International Economic and Trade Arbitration Commission (CIETAC) informed Style and its subsidiary AYF that the Chinese joint venture partner TZ had applied for an Application of Arbitration related to the outstanding trade debt following the Voluntary Administration. Despite having received trade insurance compensation, TZ sought to obtain the security provided under the joint venture trading agreement relating to the 25% joint venture stake held by AYF.

However, as one of the creditors of the Company, TZ is bound by the DOCA as approved by the creditors in the reconvened second meeting on 26 June 2012. The DOCA provides that all distributions from the DOCA are paid in accordance with Section 556(1) of the Corporations Act. Furthermore, the DOCA binds all creditors of the Company pursuant to Section 444D(1) of the Corporations Act. The Deed Administrators informed CIETAC on 6 December 2012 that TZ is bound by the terms of the DOCA and is unable to proceed with any Court proceedings.

On 11 July 2013, an Arbitral Award was issued by CIETAC and concluded that:

- The amounts claimed by TZ including outstanding trade debt, interest on losses, export tax losses and costs of recovering debts and totalling Chinese Yuan 10,581,275 (AUD1,918,640) are payable by the Company and AYF;
- Style and TZ had put forward a recommendation for settlement which has been adopted in an Arbitration Settlement Agreement. This settlement agreement requires that the Group's 25% stake in the JV entity 'Tianya' is sold to TZ in full and final satisfaction of all outstanding amounts;
- CIETAC requires that Style, AYF and TZ cooperate with each other to give effect to the arbitration; and
- The arbitration fee of RMB 245,826 has been paid in full by TZ.

The Directors are very pleased to have reached this position and although they do not acknowledge the debts outlined by CIETAC, which had previously been dealt with by the deed

administrator under the DOCA, they do see a commercial solution which will enable a working relationship to resume with TZ which will ensure future access to supply for the Group.

In accordance with the Arbitral Award the Company is working with TZ to transfer the 25% joint venture stake held by the Group to TZ as full and final settlement of all amounts outstanding. The Company and TZ have agreed that the most effective means of achieving this outcome is to transfer the ownership in AYF to TZ.

At the date of these financial statements TZ is in the process of drafting legal documentation to give effect to the above.

Other than the above matter, at the date of this Appendix 4E there was no other matter of a significant nature.

13. Accounting standards for foreign entities

Not applicable to Style Limited.

14. Commentary on the results for the financial year

Refer to Directors Commentary and Results for Announcement to the market.

15. Compliance Statement

This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Interpretations or the standards acceptable to the ASX. This report, and the accounts upon which the report is based, use the same accounting policies. This report does give a true and fair view of the matters disclosed.

This report is based on accounts which are in the process of being audited. The form of the audit report is not yet finalised.

Signed: 
(Company Secretary)

Date: 30 August 2013

Print name: Mark Pitts

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The report covers the economic entity of Style Limited and controlled entities.

The accounting policies adopted in the preparation of the preliminary final report have been applied consistently to all periods presented in this report and are consistent with those disclosed in the 2012 financial report.

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

3.1 REVENUE

	Economic Entity	
	2013 \$'000	2012 \$'000
Operating activities		
Sale of goods	28	5,374
Interest	5	5
Debts forgiven under DOCA	-	3,673
Other revenue	165	214
	198	9,266

4.1 CASH

Cash at bank	1,540	201
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Reconciliation of cash

Cash at the end of the financial year as shown was held in operating bank accounts or on cash at call accounts.

	Economic Entity	
	2013 No.	2013 \$'000
4.2 ISSUED EQUITY		
Ordinary shares		
At the beginning of the reporting period	1,391,566,434	39,098
Shares issued during the year		
Consolidation of capital	(1,377,650,875)	-
Shares issued during the current financial year:		
- 16 May 2013 - recapitalisation	30,000,000	-
- 16 May 2013 - recapitalisation	500,000,000	2,500
- 26 June 2013 – Shares issued	100	-
Capital raising costs	-	(173)
	543,915,659	41,425
At reporting date		

NOTE 5 : SEGMENT REPORTING – PRIMARY REPORTING BUSINESS SEGMENTS

	Manufacturing		Distribution		Eliminations		Economic entity	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
REVENUE								
External sales	-	17	28	5,357	-	-	28	5,374
Inter-segment sales	-	-	-	-	-	-	-	-
Total segment revenue	-	17	28	5,357	-	-	28	5,374
Unallocated revenue								
Other revenue	-	200	-	3,692	-	-	-	3,892
Total revenue from continuing activities	-	217	-	9,049	-	-	-	9,266
RESULT								
Segment result	-	(4,153)	(527)	(763)	-	-	(527)	(4,916)
Unallocated expenses net of unallocated revenue							-	-
Profit/(Loss) from continuing activities before income tax expense							(527)	(4,916)
Income tax expense							-	(185)
Profit/(Loss) from continuing activities after income tax expense							(527)	(5,101)
Net profit/(loss)							(527)	(5,101)

NOTE 5 : SEGMENT REPORTING – PRIMARY REPORTING BUSINESS SEGMENTS

	Manufacturing		Distribution		Eliminations		Economic entity	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS								
Segment assets	-	19	1,615	272	-	-	1,615	291
Unallocated assets							-	-
Total assets							1,615	291
LIABILITIES								
Segment liabilities	226	177	135	632	-	-	361	809
Unallocated liabilities								
Total liabilities								
OTHER								
Depreciation and amortisation of segment assets	-	170	-	19	-	-	-	189
Impairment of intangibles	-	-	-	221	-	-	-	221
Impairment of investments	-	1,481	-	-	-	-	-	1,481
Impairment of inventory	-	-	-	467	-	-	-	467
Impairment of plant and equipment	-	1,246	-	76	-	-	-	1,322

Business Segments:

The economic entity has the following two business segments:

- Manufacturing division manufactures bamboo flooring products at its factories in the People's Republic of China. Intersegment transactions have resulted from the sale of product to the parent entity Style Limited and to Style Distribution Limited.
- The Distribution segment markets and sells bamboo flooring products throughout the world via wholesale channels.