

**A1 Investments & Resources Ltd**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	82.6% to	36,995
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	41.6% to	(791,861)
Loss for the half-year attributable to the owners of A1 Investments & Resources Ltd	down	41.6% to	(791,861)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$791,861 (31 December 2013: \$1,356,965).

Refer to the 'Review of operations' in the Directors' report for further information.

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.01	(0.24)

**4. Control gained over entities**

Name of entities (or group of entities)	Not Applicable
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Date control gained

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

**5. Loss of control over entities**

Name of entities (or group of entities)	Jinji Resources Pty Ltd and its controlled entities
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Date control lost	24 September 2014
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\$

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material) (5,522)

Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material) (202,032)

## 6. Dividends

### *Current period*

There were no dividends paid, recommended or declared during the current financial period.

### *Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

## 7. Dividend reinvestment plans

Not applicable.

## 8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Litigation Lending Services Partnership No. 7	-%	25.00%	-	(10,290)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	(10,290)
Income tax on operating activities			-	-

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

**11. Attachments**

*Details of attachments (if any):*

The Interim Report of A1 Investments & Resources Ltd for the half-year ended 31 December 2014 is attached.

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**12. Signed**



Signed \_\_\_\_\_

Date: 27 February 2015

Charlie Nakamura  
Director  
Sydney

# **A1 Investments & Resources Ltd**

**ABN 44 109 330 949**

**Interim Report - 31 December 2014**

## **A1 Investments & Resources Ltd**

### **Directors' report**

**31 December 2014**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of A1 Investments & Resources Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

#### **Directors**

The following persons were directors of A1 Investments & Resources Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Charlie Nakamura  
Peter Ashcroft  
Yuji Tachibana (appointed on 16 October 2014)  
Dan Kao (resigned on 14 October 2014)

#### **Principal activities**

The principal activities of the consolidated entity during the financial half-year were those of an investment company focusing on projects in both Australia and Japan.

The consolidated entity continues to hold and monitor its investments in the Australian Mining and Resources sector, and has redirected its investment focus to the healthcare sector in Australia, with the possibility of assisting its expansion into Japan.

There were no significant changes in the nature of the consolidated entity's principal activities during the financial half-year.

#### **Review of operations**

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$791,861 (31 December 2013: \$1,356,965).

For the period 1 July 2014 to 31 December 2014 the Company undertook the following matters:

##### *Disposal of Jinji Resources Pty Limited*

On 24 September 2014 the consolidated entity disposed of its entire investment in Jinji Resources Pty Limited ('Jinji Resources') for total consideration of \$10,000. Jinji Resources comprised of Jinji Resources Pty Limited and A1IR Holdings Pte. Ltd.

##### *SuperSorghum*

The Company commenced trial plantings of SuperSorghum in Western Australia (Kununurra), Northern Territory (Douglas Daly, Katherine and Adelaide River) and in northern Queensland (Home Hill).

The objects of the trials were to establish the viability of using SuperSorghum for sugar production in the Kimberleys, as the base for stock feed in the Northern Territory and as a substitute product for sugarcane in northern Queensland.

In Western Australia and the Northern Territory the consolidated entity is examining the opportunities available for joint ventures for stock feed production including pelletising and feed lot developments.

##### *General Investments*

The consolidated entity made no further general investments and took the opportunity to sell down any existing investment if the market was favourable.

The consolidated entity offered the opportunity to the secured noteholders to take all or part of their notes on maturity as shares in PAFtec Pty Limited rather than convert to shares in the company. Noteholders with approximately \$850,000 in value of notes accepted the offer and are in the process of converting to shares in PAFtec thus reducing the total debt due to noteholders in an equivalent amount. Finalisation of the PAFtec assignments to noteholders remains subject to some minor formalities required by PAFtec. Completion of all these formalities is anticipated within the next 4 weeks.

**A1 Investments & Resources Ltd**  
**Directors' report**  
**31 December 2014**

*Corporate Structure and Funding*

On 30 September 2014 the secured notes (AYIG) all converted to shares in the company or noteholders accepted an offer to wholly or partially convert to PAFtec shares.

The consolidated entity issued a notice of Default to Ocean Pacific Management Limited ("OPM"). OPM which had entered an agreement with the Company to provide \$2,500,000 in funding only provided the Company with \$100,000. This amount was converted to shares in the company on 31 December 2014.

All loan funds made available to the consolidated entity by various parties converted to shares in the company as at 31 December 2014 and the consolidated entity has no debt (subject to the finalisation of the conversion into PAFtec shares by some noteholders) at 31 December 2014 other than current trade debts.

*SuperSorghum Exclusive Agreement Payment*

As the funding from OPM did not eventuate the Company was unable to pay the fee to SOL Holdings for the Exclusive Agreement to distribute SuperSorghum in Australia. After balance date, the consolidated entity entered a memorandum with SOL Holdings in respect to SuperSorghum which effectively gave the consolidated entity the right to undertake the SuperSorghum business in Australia whilst it pursued further funding.

**Significant changes in the state of affairs**

All secured and significant unsecured debt was converted to shares in the company or PAFtec shares (subject to some procedural finalisation) during the reporting period leaving the consolidated entity debt free on 31 December 2014. The consolidated entity is continuing to seek further funding.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Charlie Nakamura  
Director

27 February 2015  
Sydney



**Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001**

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2014, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Dated at Sydney the 27<sup>th</sup> day of February 2015.

A stylized, handwritten-style logo for 'ESV' in black ink.

**ESV Accounting and Business Advisors**

A handwritten signature in black ink, appearing to read 'Tim Valtwies'.

**Tim Valtwies**  
**Partner**

**A1 Investments & Resources Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2014**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>	3	592	113,883
Investment and other income	4	112,306	309,924
<b>Expenses</b>			
Employee benefits expense		(161,375)	(214,553)
Depreciation expense		(1,215)	(801)
Consultancy and professional fees		(150,022)	(98,283)
Foreign exchange losses		(1,335)	(14,768)
Share registry and listing expenses		(34,602)	(23,228)
Impairment of receivables		-	(750,000)
Net loss on disposal of investments		(29,085)	-
Net loss on financial assets through profit or loss		-	(258,493)
Other expenses		(104,883)	(51,740)
Finance costs		(72,093)	(165,805)
<b>Loss before income tax expense from continuing operations</b>		(441,712)	(1,153,864)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(441,712)	(1,153,864)
Loss after income tax expense from discontinued operations	5	(349,315)	(203,685)
<b>Loss after income tax expense for the half-year</b>		(791,027)	(1,357,549)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of available-for-sale financial assets, net of tax		333,018	-
Foreign currency translation		5,213	(1,184)
Other comprehensive income for the half-year, net of tax		338,231	(1,184)
<b>Total comprehensive income for the half-year</b>		<u>(452,796)</u>	<u>(1,358,733)</u>
Loss for the half-year is attributable to:			
Non-controlling interest		834	(584)
Owners of A1 Investments & Resources Ltd		(791,861)	(1,356,965)
		<u>(791,027)</u>	<u>(1,357,549)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		-	-
Discontinuing operations		834	(594)
Non-controlling interest		834	(594)
Continuing operations		(108,694)	(1,153,864)
Discontinuing operations		(344,936)	(204,275)
Owners of A1 Investments & Resources Ltd		(453,630)	(1,358,139)
		<u>(452,796)</u>	<u>(1,358,733)</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**A1 Investments & Resources Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2014**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
		<b>\$</b>	<b>\$</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the owners of A1 Investments &amp; Resources Ltd</b>			
Basic earnings per share	17	(0.022)	(0.241)
Diluted earnings per share	17	(0.022)	(0.241)
<b>Earnings per share for loss from discontinued operations attributable to the owners of A1 Investments &amp; Resources Ltd</b>			
Basic earnings per share	17	(0.018)	(0.042)
Diluted earnings per share	17	(0.018)	(0.042)
<b>Earnings per share for loss attributable to the owners of A1 Investments &amp; Resources Ltd</b>			
Basic earnings per share	17	(0.040)	(0.284)
Diluted earnings per share	17	(0.040)	(0.284)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**A1 Investments & Resources Ltd**  
**Statement of financial position**  
**As at 31 December 2014**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		10,984	137,742
Trade and other receivables		4,586	113,027
Financial assets at fair value through profit or loss	6	176,750	188,056
Available-for-sale financial assets	7	905,068	-
Other		-	6,835
		<u>1,097,388</u>	<u>445,660</u>
Assets of disposal groups classified as held for sale		-	370,144
Total current assets		<u>1,097,388</u>	<u>815,804</u>
<b>Non-current assets</b>			
Available-for-sale financial assets	8	-	572,050
Property, plant and equipment		5,848	4,984
Other	9	110,000	-
Total non-current assets		<u>115,848</u>	<u>577,034</u>
<b>Total assets</b>		<u>1,213,236</u>	<u>1,392,838</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	912,843	203,600
Borrowings	11	-	2,592,354
		<u>912,843</u>	<u>2,795,954</u>
Liabilities directly associated with assets classified as held for sale		-	120,579
Total current liabilities		<u>912,843</u>	<u>2,916,533</u>
<b>Total liabilities</b>		<u>912,843</u>	<u>2,916,533</u>
<b>Net assets/(liabilities)</b>		<u>300,393</u>	<u>(1,523,695)</u>
<b>Equity</b>			
Issued capital	12	27,178,956	24,902,072
Reserves	13	1,436,238	1,098,007
Accumulated losses		(28,314,801)	(27,522,940)
Equity/(deficiency) attributable to the owners of A1 Investments & Resources Ltd		300,393	(1,522,861)
Non-controlling interest		-	(834)
<b>Total equity/(deficiency)</b>		<u>300,393</u>	<u>(1,523,695)</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**A1 Investments & Resources Ltd**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2014**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total deficiency \$</b>
Balance at 1 July 2013	24,471,771	1,103,220	(25,346,307)	-	228,684
Loss after income tax expense for the half-year	-	-	(1,356,965)	(584)	(1,357,549)
Other comprehensive income for the half-year, net of tax	-	(1,174)	-	(10)	(1,184)
Total comprehensive income for the half-year	-	(1,174)	(1,356,965)	(594)	(1,358,733)
Balance at 31 December 2013	<u>24,471,771</u>	<u>1,102,046</u>	<u>(26,703,272)</u>	<u>(594)</u>	<u>(1,130,049)</u>

  

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	24,902,072	1,098,007	(27,522,940)	(834)	(1,523,695)
Profit/(loss) after income tax expense for the half-year	-	-	(791,861)	834	(791,027)
Other comprehensive income for the half-year, net of tax	-	338,231	-	-	338,231
Total comprehensive income for the half-year	-	338,231	(791,861)	834	(452,796)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 12)	2,276,884	-	-	-	2,276,884
Balance at 31 December 2014	<u>27,178,956</u>	<u>1,436,238</u>	<u>(28,314,801)</u>	<u>-</u>	<u>300,393</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**A1 Investments & Resources Ltd**  
**Statement of cash flows**  
**For the half-year ended 31 December 2014**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		-	155,005
Payments to suppliers and employees (inclusive of GST)		(781,251)	(799,482)
		(781,251)	(644,477)
Interest received		595	-
Interest and other finance costs paid		(75,456)	(168,340)
Net cash used in operating activities		(856,112)	(812,817)
<b>Cash flows from investing activities</b>			
Payments for investments		-	(5,000)
Payments for property, plant and equipment		(2,079)	(3,404)
Payments for security deposits		-	(2,798)
Proceeds from sale of business		10,000	-
Proceeds from sale of investments		111,353	1,022,278
Proceeds from sale of property, plant and equipment		29,471	-
Proceeds from release of security deposits		450	-
Net cash from investing activities		149,195	1,011,076
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	12	33,500	-
Proceeds from loans		501,030	-
Repayment of borrowings		(23,486)	(31,144)
Net cash from/(used in) financing activities		511,044	(31,144)
Net increase/(decrease) in cash and cash equivalents		(195,873)	167,115
Cash and cash equivalents at the beginning of the financial half-year		206,857	71,320
Cash and cash equivalents at the end of the financial half-year		<u>10,984</u>	<u>238,435</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2014 and are not expected to have any significant impact for the full financial year ending 30 June 2015. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Comparatives**

Comparatives in the statement of profit or loss and other comprehensive income have been reclassified, where necessary, to align with the current period presentation. There was no effect on profit or net assets.

### **Going concern**

The directors draw attention to the following financial position:

- The total comprehensive income of the company for the half year to 31 December 2014 was a loss of \$452,796; and
- Net cash outflow of the company for the half year to 31 December 2014 was \$856,112.

The financial statements have been prepared on a going concern basis because the company has sufficient tangible assets that can readily be converted to cash to permit the company to continue to trade in the ordinary course of business for some months but the directors recognise that without a substantial capital raising in some form the company will not be able to continue to trade in the medium or long term.

The company is in advanced discussions with new investors in respect to substantial placements and a new project. The placements will be subject to regulatory and shareholder approval. The directors are confident that a heads of agreement setting out the basic terms will be completed in the next two weeks and that the funds the subject of the placements will be placed in an escrow or trust account in Australia before the end of March 2015 in advance of the calling of any meeting of shareholders to approve the placements. The directors are also negotiating a loan of \$200,000 in advance of the shareholder approval from the new investors and the directors are confident this loan will be available to the company at the time of the heads of agreement. The directors cannot guarantee the new project and funding will proceed but are confident it will.

If the capital raise does not eventuate the company will be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts that are likely to be different to those stated in the financial statements. The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

This financial report also confirms that loans to SOL Holdings and OPM were fully converted to ordinary shares in the company as at 31 December 2014. The company has discharged or settled all secured (including the converting notes) and large unsecured loans to it during the period subject to some documentary finalisation of the assignment of PAFtec shares to some unitholders.

**Note 1. Significant accounting policies (continued)**

The company has received after 31 December 2014 \$500,000 from King Fame on condition that the company is able to raise further funds and the \$500,000 would be made available to the company on the same terms as such further funds. The funds received from King Fame will be available if the proposed placements referred to above take place. The company has reasonable expectations of being able to announce new funding within 2 to 3 weeks.

King Fame is a private investment company headquartered in Singapore and is not associated with SOL Holdings, OPM, Marvel Green Power or any other current shareholder of the company. King Fame introduced SOL Holdings to the company in early 2014.

It is noted that any new funding including the funding from King Fame will be subject to shareholder, regulatory and legal approval.

For the avoidance of doubt the company notes that this new funding is not being provided by any existing shareholder or an associate of any existing shareholder.

**Note 2. Operating segments**

*Identification of reportable operating segments*

The consolidated entity operates in one segment, being an investment company focusing on the mining and resources sector and healthcare sector in Australia. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

As a result of this, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

**Note 3. Revenue**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		
Research fees	-	113,843
Interest	592	40
Revenue from continuing operations	<u>592</u>	<u>113,883</u>

**Note 4. Investment and other income**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
Share trading gains	-	258,493
Net gain on financial assets through profit or loss	112,306	51,431
Investment and other income	<u>112,306</u>	<u>309,924</u>

**Note 5. Discontinued operations**

*Description*

On 24 September 2014 the consolidated entity disposed of its entire investment in Jinji Resources Pty Limited ('Jinji Resources') for total consideration of \$10,000. Jinji Resources is a general investment Company that comprises of Jinji Resources Pty Limited and A1IR Holdings Pte. Ltd.

**Note 5. Discontinued operations (continued)**

*Financial performance information*

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
Sales	-	8,000
Net gain on financial assets through profit or loss	30,862	85,791
Interest	3	1,916
Rent	-	2,273
Dividends	-	50
Other revenue	5,538	1,078
Total revenue	<u>36,403</u>	<u>99,108</u>
Net foreign exchange gains	-	2,611
Total other income	<u>-</u>	<u>2,611</u>
Employee benefits expense	(7,092)	(2,766)
Depreciation expense	-	(7,991)
Consultancy and professional fees	-	(128,646)
Share of net losses of associate entity	-	(10,290)
Net loss on disposal of investments	(26,763)	-
Product samples	-	(13,994)
Other expenses	(4,676)	(139,182)
Finance costs	(3,363)	(2,535)
Total expenses	<u>(41,894)</u>	<u>(305,404)</u>
Loss before income tax expense	(5,491)	(203,685)
Income tax expense	(31)	-
Loss after income tax expense	<u>(5,522)</u>	<u>(203,685)</u>
Loss on disposal before income tax	(343,793)	-
Income tax expense	-	-
Loss on disposal after income tax expense	<u>(343,793)</u>	<u>-</u>
Loss after income tax expense from discontinued operations	<u><u>(349,315)</u></u>	<u><u>(203,685)</u></u>

*Cash flow information*

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
Net cash used in operating activities	(6,227)	(667,498)
Net cash from investing activities	-	863,091
Net cash used in financing activities	-	(4,485)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	<u><u>(6,227)</u></u>	<u><u>191,108</u></u>

**A1 Investments & Resources Ltd**  
**Notes to the financial statements**  
**31 December 2014**

**Note 5. Discontinued operations (continued)**

*Carrying amounts of assets and liabilities disposed*

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	913	-
Trade and other receivables	100,000	-
Financial assets	197,812	-
Other current assets	122,080	-
Property, plant and equipment	10,838	-
Total assets	<u>431,643</u>	<u>-</u>
Borrowings	77,850	-
Total liabilities	<u>77,850</u>	<u>-</u>
Net assets	<u><u>353,793</u></u>	<u><u>-</u></u>

*Details of the disposal*

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
Total sale consideration	10,000	-
Carrying amount of net assets disposed	<u>(353,793)</u>	<u>-</u>
	-	-
Loss on disposal before tax income	(343,793)	-
Income tax expense	<u>-</u>	<u>-</u>
Loss on disposal after income tax	<u><u>(343,793)</u></u>	<u><u>-</u></u>

**Note 6. Current assets - financial assets at fair value through profit or loss**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Shares in listed entities - designated at fair value through profit or loss	<u>176,750</u>	<u>188,056</u>

Refer to note 15 for further information on fair value measurement.

**Note 7. Current assets - available-for-sale financial assets**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Shares in unlisted entities	<u>905,068</u>	<u>-</u>

Refer to note 15 for further information on fair value measurement.

Shares in unlisted entities relate to its holding in PAFtec Pty Ltd and was classified as a non-current asset as at 30 June 2014.



**Note 8. Non-current assets - available-for-sale financial assets**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Shares in unlisted entities	-	572,050

Refer to note 15 for further information on fair value measurement.

Shares in unlisted entities relate to its holding in PAFtec Pty Ltd and is classified as a current asset as at 31 December 2014.

**Note 9. Non-current assets - other**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Share subscription deposit	110,000	-

The company has invested in Capricorn Minerals Pty Limited ("Capricorn Minerals") which is a private company with 4 exploration permits and one mineral licence operating in New South Wales and Queensland. Capricorn Minerals is focused upon the development of known antimony deposits. Worldwide antimony reserves are relatively small and the demand for antimony is increasing as it is a primary component of advanced batteries and solar panels. Capricorn Minerals completed the minimum commitments on three of the exploration tenements which are all in good standing. The fourth exploration tenement in Queensland is located in a remote area north of Chillago and some work was undertaken and an application to extend its terms has been made. The price of antimony has fallen in recent times along with most commodities making the economics of a new mine more difficult. The company is currently re-assessing its continued commitment to Capricorn Minerals. The directors believe there is potential to recover all or part of the company's investment to date if a sale was to take place in the ordinary course of business, but the directors accept that it is unlikely that full recovery would be possible if there was a sale of the company's interest in Capricorn Minerals in the immediate future.

**Note 10. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Trade payables and accruals	62,843	203,600
Payable to convertible noteholders	850,000	-
	<u>912,843</u>	<u>203,600</u>

The \$850,000 payable to convertible noteholders refers to those noteholders that have elected to convert their notes into shares in PAFtec Pty Ltd. As the conversion process is still incomplete, the notes still remain unpaid. Once the conversion of the notes into PAFtec shares is complete, the \$850,000 will no longer be payable.

**A1 Investments & Resources Ltd**  
**Notes to the financial statements**  
**31 December 2014**

**Note 11. Current liabilities - borrowings**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Other loans - unsecured	-	300,000
Convertible notes payable	-	2,292,354
	-	2,592,354

During the half year ended 31 December 2014, the convertible notes were partially converted into ordinary shares in the Company (see note 12) while the remaining convertible notes will be converted into shares in PAFtec Pty Ltd (see note 10).

**Note 12. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>3,572,266,550</u>	<u>956,141,262</u>	<u>27,178,956</u>	<u>24,902,072</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>No of shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2014	956,141,262		24,902,072
Conversion of convertible notes	30 September 2014	1,602,615,567	\$0.0009	1,442,354
Conversion of loan and placement	11 November 2014	625,000,000	\$0.0008	500,000
Conversion of loan and placement	25 November 2014	251,287,500	\$0.0008	201,030
Conversion of loan and placement	25 November 2014	100,000,000	\$0.0010	100,000
Share issue from share purchase plan	3 December 2014	<u>37,222,221</u>	<u>\$0.0009</u>	<u>33,500</u>
Balance	31 December 2014	<u>3,572,266,550</u>		<u>27,178,956</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 13. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>30 Jun 2014</b>
	<b>\$</b>	<b>\$</b>
Available-for-sale reserve	616,536	283,518
Foreign currency reserve	-	(5,213)
Asset revaluation reserve	819,702	819,702
	<u>1,436,238</u>	<u>1,098,007</u>

**Note 14. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 15. Fair value measurement**

*Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 31 Dec 2014</b>				
<i>Assets</i>				
Shares in listed entities	176,750	-	-	176,750
Shares in unlisted entities	-	-	905,068	905,068
Total assets	176,750	-	905,068	1,081,818

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Consolidated - 30 Jun 2014</b>				
<i>Assets</i>				
Shares in listed entities	188,056	-	-	188,056
Shares in unlisted entities	-	-	572,050	572,050
Total assets	188,056	-	572,050	760,106

There were no transfers between levels during the financial half-year.

*Valuation techniques for fair value measurements categorised within level 3*

Unquoted investments have been valued using a discounted cash flow model.

*Level 3 assets and liabilities*

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

	Available- for-sale \$	Total \$
<b>Consolidated</b>		
Balance at 1 July 2014	572,050	572,050
Gains recognised in other comprehensive income	333,018	333,018
Balance at 31 December 2014	905,068	905,068

**Note 16. Events after the reporting period**

*Default by OPM*

The consolidated entity issued a further default notice to OPM in respect to the full amount of the default being an amount of \$2,400,000 and noted that the default constituted a breach of the agreement by OPM that the consolidated entity accepted as termination.

The consolidated entity has reserved its rights against OPM and is considering further action.

*SuperSorghum Exclusive Agreement*

The consolidated entity entered a memorandum with SOL Holdings in respect to SuperSorghum which effectively gave the consolidated entity the right to undertake the SuperSorghum business in Australia whilst it pursued further funding.

**Note 16. Events after the reporting period (continued)**

*Further funding*

The consolidated entity has received written offers subject to regulatory and shareholder approval for an investment of \$2,500,000. The funds are not for SuperSorghum but for general investments.

The new investors' proposals are for the investment to be by way of placements at an issue price of 50% of the current share price. The Board recognises that such an issue price may not be readily approved by the shareholders but notes the consolidated entity has exhausted all other reasonable avenues to raise money at this price or above.

The Board has welcomed this proposal and will be recommending to shareholders its acceptance.

The options available to the consolidated entity are now very limited and if the shareholders do not approve the proposal the consolidated entity may not be able to carry on business. Without the proposal the Board would need to consider placing the company in administration or suspending the company from its listing whilst further funds are sought. Other possible options available to the Company may also see further reductions in the proposed issue price for the shares on a fund raising or the issue of a convertible note upon terms that could not reasonably provide for the conversion of such note to equity in accordance with terms of the note.

Despite the substantial dilution of the existing shareholders' interest in the Company the proposal from the new investors provides the best opportunity for the Company to survive in the short term and undertake new investments for the benefit of all shareholders over time.

The Board of the consolidated entity is satisfied that the proposal for investments of \$2,500,000 is real and the funds will be placed on deposit in Australia prior to the calling of any meeting of shareholders to approve the placements and that such placements entitle the Board to have formed the opinion the consolidated entity is capable of remaining a going concern and the consolidated entity remains solvent.

The consolidated entity is examining the opportunity to remain engaged in the SuperSorghum business but the proposed funding is not being provided by the new investors for such business.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 17. Earnings per share**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(441,712)</u>	<u>(1,153,864)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,996,582,590</u>	<u>478,029,040</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,996,582,590</u>	<u>478,029,040</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.022)	(0.241)
Diluted earnings per share	(0.022)	(0.241)

**Note 17. Earnings per share (continued)**

	<b>Consolidated</b>	
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax	(349,315)	(203,685)
Non-controlling interest	(834)	584
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(350,149)</u>	<u>(203,101)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,996,582,590</u>	<u>478,029,040</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,996,582,590</u>	<u>478,029,040</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.018)	(0.042)
Diluted earnings per share	(0.018)	(0.042)
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss</i>		
Loss after income tax	(791,027)	(1,357,549)
Non-controlling interest	(834)	584
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(791,861)</u>	<u>(1,356,965)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,996,582,590</u>	<u>478,029,040</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,996,582,590</u>	<u>478,029,040</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.040)	(0.284)
Diluted earnings per share	(0.040)	(0.284)

**A1 Investments & Resources Ltd**  
**Directors' declaration**  
**31 December 2014**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



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Charlie Nakamura  
Director

27 February 2015  
Sydney



## **Independent Review Report to the members of A1 Investments & Resources Limited**

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of A1 Investments & Resources Limited and its controlled entity ("the Group") which comprises the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, selected accompanying notes to the financial statements and the Director's declaration for the half-year ended on that date.

### *Directors' Responsibility for the Financial Report*

The Directors of A1 Investments & Resources 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 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 the 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 Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of A1 Investments & Resources 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.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.





## Independent Review Report to the members of A1 Investments & Resources 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 the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the financial position of the Group as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Significant Uncertainty Regarding Going Concern

Without modifying our conclusion, we draw attention to Note 1 Going Concern in the financial report, which indicates:

- Total comprehensive income for the half year ended 31 December 2014 was a loss of \$452,796
- Net cash outflow from operating activities for the half year was \$856,112

These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Dated at Sydney the 27th day of February 2015

ESV Accounting and Business Advisors

Tim Valtwies  
Partner