

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the half-year ended 31 December 2016
Previous period:	For the half-year ended 31 December 2015

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	8.7% to	2,107,450
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	2815.9% to	(1,321,282)
Loss for the half-year attributable to the owners of A1 Investments & Resources Ltd	down	2815.9% to	(1,321,282)

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 amounted to \$1,321,282 (31 December 2015: profit of \$48,649).

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

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

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 \$
COTY Guam LLC	50.00%	50.00%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	-
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 2016 is attached.

12. Signed

Signed 

Date: 24 February 2017

Charlie Nakamura
Director
Sydney

A1 Investments & Resources Ltd and its controlled entities

ABN 44 109 330 949

Interim Report - 31 December 2016

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 'A1', 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

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
Hiroyuki Ogawa

Principal activities

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

The consolidated entity remains a general investment company. The consolidated entity has continued its investments in the property, travel and food industry sectors during the half year, whilst continuing to focus in food industry related investments.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,321,282 (31 December 2015: profit of \$48,649).

The consolidated entity operated its travel business Tournet Oceania, a restaurant (Ikkyu Ramen) and EQ Foods during the reporting period.

There has been substantial changes to the Company since the end of the financial year on 30 June 2016.

1. In August 2015 the Company acquired 100% of the business of Ikkyu Ramen in the Haymarket district of Sydney. The acquisition of this business was part of a strategic plan to strengthen the food credentials of the group.

The Company continued to pursue an aggressive cost cutting program for Ikkyu Ramen primarily focused on the supply of product from EQ Foods. Despite these efforts Ikkyu Ramen remained unprofitable.

The directors determined in early December 2016 to sell the business or close the operation, as soon as possible. The Company was successful in selling the business for a sum of \$19,000 in January 2017 (See the statement on subsequent events) including assigning the lease to the purchaser. Settlement of the sale took place on 28 January 2017 and no further losses will be realised thereafter.

2. In November 2015 WIN A1 Pty Limited ('WIN A1'), a wholly owned subsidiary of the Company acquired a wholesale food production business which required new premises, management and additional capital to prosper. The Company formed a new business and commenced operations in Brookvale on the northern beaches of Sydney.

WIN A1 has operated the business to 31 December 2016, but the business had failed to generate a profit. WIN A1 had been discussing further expansion and some changes of focus for this business with potential Japanese joint ventures including a company called Fulfillment Holdings Co., Ltd ('Fulfillment') an unlisted Japanese public company with large interests in logistics, food and employment services in Japan.

On 18 October 2016 WIN A1 entered a contract to buy a farming property at Jondaryan in Queensland for \$3,000,000. Fulfillment agreed to provide the required finance for the purchase.

The Company and Fulfillment discussed entering a joint venture for the production and sale of Australian agricultural products in Japan. The joint venture was to provide that the Company managed the operations of the venture in Australia and Fulfillment would undertake the sales, marketing and distribution of the products in Japan.

As at the date of this report this joint venture has not been settled and the Company is proposing to focus the sale of product from the property at Jondaryan in Australia in association with farming joint venturer, Qualipac Farming.

3. A1 is continuing to examine opportunities as they may be presented. A1 has determined that its primary focus will be businesses in Australia, including food export businesses. A1 will remain focused on the following industry sectors;

Tourism

- Tournet Oceania will seek to consolidate its existing business and reduce its costs.

Wholesale Food businesses

- The supply of wholesale agricultural products. The Company is in discussions with several parties in respect to the establishment of new joint ventures for the supply of fresh vegetables and fresh meat and meat products.

Food industry investment opportunities

- The Company is examining other food industry investment opportunities including the possibility of acquiring a substantial interest in an existing wholesale food business.

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 page 4.

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

A handwritten signature in black ink, appearing to read 'Charlie Nakamura'.

Charlie Nakamura
Director

24 February 2017
Sydney

**A1 INVESTMENTS AND RESOURCES LTD
ABN 44 109 330 949**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF A1 INVESTMENTS AND RESOURCES LTD**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2016 there have been no contraventions of:

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



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner
Dated: 24 February 2017

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Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	20
Independent auditor's review report to the members of A1 Investments & Resources Ltd	21

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016



		Consolidated	
	Note	31 Dec 2016	31 Dec 2015
		\$	\$
Revenue from continuing operations	4	1,918,168	1,090,213
Investment and other income	5	-	659,186
Expenses			
Raw materials and consumables used		(524,425)	(198,681)
Subcontracting expense		(294,912)	(276,428)
Employee benefits expense		(1,024,686)	(551,579)
Depreciation expense		(51,697)	(19,063)
Impairment of goodwill		(157,994)	-
Consultancy and professional fees		(485,913)	(319,395)
Foreign exchange losses		(6,043)	-
Share registry and listing expenses		(32,942)	(43,434)
Net loss on financial assets through profit or loss		-	(19,250)
Other expenses		(427,102)	(130,896)
Finance costs		(33,921)	(16,431)
Profit/(loss) before income tax expense from continuing operations		(1,121,467)	174,242
Income tax expense		-	-
Profit/(loss) after income tax expense from continuing operations		(1,121,467)	174,242
Loss after income tax expense from discontinued operations	6	(199,815)	(125,593)
Profit/(loss) after income tax expense for the half-year attributable to the owners of A1 Investments & Resources Ltd		(1,321,282)	48,649
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on de-recognition of available-for-sale financial assets		-	(616,536)
Foreign currency translation		-	220
Other comprehensive income/(loss) for the half-year, net of tax		-	(616,316)
Total comprehensive income/(loss) for the half-year attributable to the owners of A1 Investments & Resources Ltd		(1,321,282)	(567,667)
Total comprehensive income/(loss) for the half-year is attributable to:			
Continuing operations		(1,321,282)	(567,667)
Discontinued operations		-	-
		(1,321,282)	(567,667)

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

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2016



	Note	Consolidated	
		31 Dec 2016	31 Dec 2015
		\$	\$
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	20	(0.0104)	0.0016
Diluted earnings per share	20	(0.0104)	0.0016
Earnings per share for loss from discontinued operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	20	(0.0018)	(0.0012)
Diluted earnings per share	20	(0.0018)	(0.0012)
Earnings per share for profit/(loss) attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	20	(0.0122)	0.0005
Diluted earnings per share	20	(0.0122)	0.0005

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

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of financial position
As at 31 December 2016



		Consolidated	
	Note	31 Dec 2016	30 Jun 2016
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	479,501	856,843
Trade and other receivables	8	279,209	256,202
Inventories		91,049	145,345
Other		500	5,458
Assets held for sale	9	17,249	-
Total current assets		<u>867,508</u>	<u>1,263,848</u>
Non-current assets			
Property, plant and equipment	10	3,780,654	599,264
Intangibles	11	-	277,994
Total non-current assets		<u>3,780,654</u>	<u>877,258</u>
Total assets		<u>4,648,162</u>	<u>2,141,106</u>
Liabilities			
Current liabilities			
Trade and other payables	12	509,818	400,443
Borrowings	13	3,777,976	79,874
Total current liabilities		<u>4,287,794</u>	<u>480,317</u>
Non-current liabilities			
Borrowings	14	274,047	253,186
Total non-current liabilities		<u>274,047</u>	<u>253,186</u>
Total liabilities		<u>4,561,841</u>	<u>733,503</u>
Net assets		<u>86,321</u>	<u>1,407,603</u>
Equity			
Issued capital	15	30,378,956	30,378,956
Reserves		819,702	819,702
Accumulated losses		(31,112,337)	(29,791,055)
Total equity		<u>86,321</u>	<u>1,407,603</u>

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

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2016



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	29,968,956	1,436,238	(29,020,152)	2,385,042
Profit after income tax expense for the half-year	-	-	48,649	48,649
Other comprehensive income/(loss) for the half-year, net of tax	-	(616,316)	-	(616,316)
Total comprehensive income/(loss) for the half-year	-	(616,316)	48,649	(567,667)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	410,000	-	-	410,000
Balance at 31 December 2015	<u>30,378,956</u>	<u>819,922</u>	<u>(28,971,503)</u>	<u>2,227,375</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2016	30,378,956	819,702	(29,791,055)	1,407,603
Loss after income tax expense for the half-year	-	-	(1,321,282)	(1,321,282)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income/(loss) for the half-year	-	-	(1,321,282)	(1,321,282)
Balance at 31 December 2016	<u>30,378,956</u>	<u>819,702</u>	<u>(31,112,337)</u>	<u>86,321</u>

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

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2016



		Consolidated	
	Note	31 Dec 2016	31 Dec 2015
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,241,704	2,194,594
Payments to suppliers and employees		(3,074,205)	(3,207,340)
		(832,501)	(1,012,746)
Interest received		14,633	22,798
Interest and other finance costs paid		(34,812)	(53,371)
		(852,680)	(1,043,319)
Net cash used in operating activities			
Cash flows from investing activities			
Payment for purchase of businesses and subsidiaries, net of cash acquired		-	(350,876)
Payments for property, plant and equipment	10	(3,243,625)	(146,116)
		(3,243,625)	(496,992)
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares		-	200,000
Proceeds from loans		3,751,990	738,804
Repayment of lease liability		(33,027)	(11,379)
		3,718,963	927,425
Net cash from financing activities			
Net decrease in cash and cash equivalents		(377,342)	(612,886)
Cash and cash equivalents at the beginning of the financial half-year		856,843	1,069,747
Cash and cash equivalents at the end of the financial half-year		479,501	456,861

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

Note 1. General information

The financial statements cover A1 Investments & Resources Ltd as a consolidated entity consisting of A1 Investments & Resources Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is A1 Investments & Resources Ltd's functional and presentation currency.

A1 Investments & Resources Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 606 / 37 Bligh Street
Sydney NSW 2000
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation and significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 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 2016 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 or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended 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 2016 and are not expected to have any significant impact for the full financial year ending 30 June 2017. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

- Total revenue of the consolidated entity for the period 1 July 2016 to 31 December 2016 was an amount of \$2,107,450
- The loss after tax of the consolidated entity for the period 1 July 2016 to 31 December 2016 was \$1,321,282
- The consolidated entity had cash outflows from operating activities of \$852,680 for the period from 1 July 2016 to 31 December 2016.
- Net cash outflows of the consolidated entity for the period 1 July 2016 to 31 December 2016 was \$377,342 leaving a cash balance at 31 December 2016 of \$479,501
- The consolidated entity had a net current liability position of \$3,420,286 at 31 December 2016 (30 June 2016: net current asset position of \$783,531)

The financial statements have been prepared on a going concern basis because the company has sufficient cash to continue to trade in the ordinary course of business for a period of several months from the date of this report.

The directors recognise that without further cash and a re-structuring of the debt the consolidated entity may not be able to trade after the expenditure of its current cash amount.

Note 2. Basis of preparation and significant accounting policies (continued)

The directors are confident of the following:

- Raising sufficient working capital either by way of equity or a medium term loan to fund its Australian agricultural production joint ventures;
- The Australian agricultural production joint ventures being able to generate profits and a positive cash flow within 12 months;
- The conversion of the WIN Corporation loan to equity in the company or a non-recourse long term loan over WIN A1 at historically low interest rates;
- The vending in of a new project with sufficient working capital to generate a positive cash flow in the short and medium term; and
- The rolling over for not less than 12 months of the current loan to Fulfillment.

The directors are confident the above matters will generate sufficient cash for the company to continue to trade in the ordinary course of business.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into four operating segments:

- General investment
- Food;
- Tourism; and
- Advertising*.

*The advertising operating segment was disposed of during the year ended 30 June 2016.

These operating segments are 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.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

General investment	investment operations focusing on diversified investment portfolios
Food	the operation of wholesale food businesses predominantly Australia
Tourism	the provision of tourism services for Japanese clients in Sydney, Australia
Advertising	the provision of advertising services predominantly in Japan (sold during the year ended 30 June 2016)

Major customers

No single customer contributed 10% or more to the Group's external revenue during the half years ended 31 December 2016 and 31 December 2015.

Note 3. Operating segments (continued)

Operating segment information

	General investment \$	Food \$	Tourism \$	Total \$
Consolidated - 31 Dec 2016				
Revenue				
Sales to external customers	-	908,701	999,516	1,908,217
Interest	14,630	-	3	14,633
Other revenue	23,786	159,403	1,411	184,600
Total revenue	<u>38,416</u>	<u>1,068,104</u>	<u>1,000,930</u>	<u>2,107,450</u>
EBITDA	(959,545)	(73,248)	54,670	(978,123)
Depreciation and amortisation	(6,744)	(15,172)	(32,070)	(53,986)
Impairment of assets	-	(131,000)	(137,994)	(268,994)
Interest revenue	14,630	-	3	14,633
Finance costs	(6,353)	(1,429)	(27,030)	(34,812)
Loss before income tax expense	<u>(958,012)</u>	<u>(220,849)</u>	<u>(142,421)</u>	<u>(1,321,282)</u>
Income tax expense				-
Loss after income tax expense				<u>(1,321,282)</u>
Assets				
Segment assets	<u>1,125,869</u>	<u>3,981,139</u>	<u>579,957</u>	5,686,965
Intersegment eliminations				<u>(1,038,803)</u>
Total assets				<u>4,648,162</u>
Liabilities				
Segment liabilities	<u>354,741</u>	<u>4,586,280</u>	<u>659,623</u>	5,600,644
Intersegment eliminations				<u>(1,038,803)</u>
Total liabilities				<u>4,561,841</u>

Note 3. Operating segments (continued)

	General investment \$	Food \$	Tourism \$	Advertising \$	Other segments \$	Total \$
Consolidated - 31 Dec 2015						
Revenue						
Sales to external customers	-	510,467	717,196	1,020,990	-	2,248,653
Interest	22,795	-	-	-	-	22,795
Other revenue	38,000	1	2	-	-	38,003
Total revenue	<u>60,795</u>	<u>510,468</u>	<u>717,198</u>	<u>1,020,990</u>	<u>-</u>	<u>2,309,451</u>
EBITDA	120,940	(23,723)	25,833	36,721	(52,123)	107,648
Depreciation and amortisation	(4,037)	(1,686)	(13,362)	-	-	(19,085)
Interest revenue	22,795	1	2	-	-	22,798
Finance costs	(4,390)	-	(12,041)	-	(36,940)	(53,371)
Profit/(loss) before income tax expense	<u>135,308</u>	<u>(25,408)</u>	<u>432</u>	<u>36,721</u>	<u>(89,063)</u>	<u>57,990</u>
Income tax expense						(9,341)
Profit after income tax expense						<u>48,649</u>
Consolidated - 30 Jun 2016						
Assets						
Segment assets	1,868,032	704,703	610,644	-	-	3,183,379
Intersegment eliminations						(1,042,273)
Total assets						<u>2,141,106</u>
Liabilities						
Segment liabilities	48,892	1,088,991	685,884	-	-	1,823,767
Intersegment eliminations						(1,090,264)
Total liabilities						<u>733,503</u>

Note 4. Revenue

	Consolidated	
	31 Dec 2016	31 Dec 2015
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Food and beverage	719,419	312,220
Tourism	<u>999,516</u>	<u>717,196</u>
	<u>1,718,935</u>	<u>1,029,416</u>
<i>Other revenue</i>		
Research fees	-	38,000
Interest	14,633	22,797
Other revenue	<u>184,600</u>	<u>-</u>
	<u>199,233</u>	<u>60,797</u>
Revenue from continuing operations	<u><u>1,918,168</u></u>	<u><u>1,090,213</u></u>

Note 5. Investment and other income

	Consolidated	
	31 Dec 2016	31 Dec 2015
	\$	\$
Net foreign exchange gain	-	42,650
Net gain on disposal of investments	-	616,536
	<hr/>	<hr/>
Investment and other income	-	659,186
	<hr/> <hr/>	<hr/> <hr/>

Note 6. Discontinued operations

Description

The discontinued operations during the half-year ended 31 December 2016 represents the disposal of the consolidated entity's Ikkyu Ramen restaurant business. On 28 January 2017 the consolidated entity disposed of the restaurant business for total consideration of \$19,000.

The discontinued operations during the half-year ended 31 December 2015 represents the disposal of A1 Investment Japan Co. Ltd and its controlled entities (collectively 'A1 Japan') for total consideration of \$12,335 (JPY1,000,000).

Financial performance information

	Consolidated	
	31 Dec 2016	31 Dec 2015
	\$	\$
Rendering of services - Tourism	-	1,020,990
Sales of goods - food and beverage	189,282	198,247
Interest	-	1
Total revenue	<hr/> 189,282	<hr/> 1,219,238
Raw materials and consumables used	(80,905)	(1,006,668)
Depreciation expense	(2,289)	(21)
Impairment of goodwill	(111,000)	-
Employee benefit expense	(122,928)	(99,158)
Professional and consultancy fees	-	(7,800)
Commission fees	-	(85,024)
Other expenses	(71,084)	(99,879)
Finance costs	(891)	(36,940)
Total expenses	<hr/> (389,097)	<hr/> (1,335,490)
Loss before income tax expense	(199,815)	(116,252)
Income tax expense	-	(9,341)
	<hr/>	<hr/>
Loss after income tax expense from discontinued operations	<hr/> (199,815)	<hr/> (125,593)

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Cash and cash equivalents	441,276	818,618
Cash on deposit	38,225	38,225
	<hr/>	<hr/>
	<hr/> 479,501	<hr/> 856,843

Note 8. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Trade receivables	279,209	256,202

Note 9. Current assets - assets held for sale

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Plant and equipment	8,249	-
Goodwill	9,000	-
	17,249	-

Refer to note 6 for details of assets held for sale.

Note 10. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Land - at cost	3,179,254	-
Leasehold improvements - at cost	10,557	10,557
Less: Accumulated depreciation	(5,170)	(3,810)
	5,387	6,747
Plant and equipment - at cost	200,252	188,986
Less: Accumulated depreciation	(34,181)	(23,611)
	166,071	165,375
Motor vehicles - at cost	506,789	468,606
Less: Accumulated depreciation	(76,847)	(41,464)
	429,942	427,142
	3,780,654	599,264

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Land	Leasehold improvements	Plant and equipment	Motor Vehicles	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2016	-	6,747	165,375	427,142	599,264
Additions	3,179,254	-	23,060	41,311	3,243,625
Classified as held for sale	-	-	(8,249)	-	(8,249)
Depreciation expense	-	(1,360)	(14,115)	(38,511)	(53,986)
Balance at 31 December 2016	3,179,254	5,387	166,071	429,942	3,780,654

Note 11. Non-current assets - intangibles

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Goodwill - at cost	-	277,994

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Total
	\$	\$
Consolidated		
Balance at 1 July 2016	277,994	277,994
Classified as held for sale	(9,000)	(9,000)
Write off of assets	(268,994)	(268,994)
Balance at 31 December 2016	-	-

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units ('CGUs') that are expected to benefit from the synergies of the business combination. A CGU level summary of goodwill allocation is as follows:

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Tournet	-	137,994
Ikkyu Ramen	-	120,000
EQ Foods	-	20,000
	-	277,994

Goodwill is tested annually for impairment. For the half year ended 31 December 2016

- (1) \$137,994 of goodwill allocated to Tournet was written off. The recoverable value of goodwill and the CGU's to which it belongs has been determined based on a value in use calculation. The carrying value of the CGU exceed its recoverable amount. This resulted in the carrying value of the associated goodwill being reduced to \$nil.
- (2) \$20,000 of goodwill allocated to the EQ Foods CGU was written off. The recoverable value of the goodwill and the CGU's to which it belongs has been determined based on a value in use calculation. Following the temporary cessation of the EQ Foods business the carrying value exceeds the value in use by \$20,000. This resulted in the carrying value of the associated goodwill being reduced to \$nil.
- (3) \$111,000 of goodwill allocated to the Ikkyu Ramen CGU was written off. The recoverable value of the goodwill and the CGU's to which it belongs has been determined based on a fair value less to costs to sell. Following the sale of the Ikkyu Ramen restaurant business in 28 January 2017 for \$19,000 the carrying value exceeds fair value less costs to sell by \$111,000. This resulted in the carrying value of the associated goodwill being reduced to \$9,000 and classified as held for sale.

Note 12. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Trade payables	179,717	158,627
Other payables and accruals	330,101	241,816
	509,818	400,443

Note 13. Current liabilities - borrowings

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Loan - Fulfillment	350,000	-
Loan - WIN Corporation Co., Ltd	3,342,690	-
Lease liability	85,286	79,874
	<u>3,777,976</u>	<u>79,874</u>

The loan from Fulfillment is repayable on 1 July 2017. The loan is unsecured. Interest is charged at 6% per annum.

The loan from WIN Corporation is repayable on 1 January 2019. The loan is unsecured. Interest is charged at 5% per annum.

Note 14. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Lease liability	274,047	253,186

Note 15. Equity - issued capital

	Consolidated			
	31 Dec 2016	30 Jun 2016	31 Dec 2016	30 Jun 2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>10,807,266,550</u>	<u>10,807,266,550</u>	<u>30,378,956</u>	<u>30,378,956</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 16. Equity - dividends

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

Note 17. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities. The fair value is classified as level 3 due to the significant unobservable inputs used in the valuation, including credit risk.

Note 18. Contingent liabilities

There are no contingent liabilities as at 31 December 2016.

Note 19. Events after the reporting period

On 28 January 2017, WIN A1 Food Platform Services Pty Limited the operator and owner of the business known as Ikkyu Ramen sold the business for a sum of \$19,000, including assigning the lease of the premises to the purchaser.

No other matter or circumstance has arisen since 31 December 2016 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 20. Earnings per share

	Consolidated	
	31 Dec 2016	31 Dec 2015
	\$	\$
<i>Earnings per share for profit/(loss) from continuing operations</i>		
Profit/(loss) after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(1,121,467)</u>	<u>174,242</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,807,266,550</u>	<u>10,779,889,500</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,807,266,550</u>	<u>10,779,889,500</u>
	Cents	Cents
Basic earnings per share	(0.0104)	0.0016
Diluted earnings per share	(0.0104)	0.0016
	Consolidated	
	31 Dec 2016	31 Dec 2015
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(199,815)</u>	<u>(125,593)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,807,266,550</u>	<u>10,779,889,500</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,807,266,550</u>	<u>10,779,889,500</u>
	Cents	Cents
Basic earnings per share	(0.0018)	(0.0012)
Diluted earnings per share	(0.0018)	(0.0012)
	Consolidated	
	31 Dec 2016	31 Dec 2015
	\$	\$
<i>Earnings per share for profit/(loss)</i>		
Profit/(loss) after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(1,321,282)</u>	<u>48,649</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,807,266,550</u>	<u>10,779,889,500</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,807,266,550</u>	<u>10,779,889,500</u>

Note 20. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.0122)	0.0005
Diluted earnings per share	(0.0122)	0.0005

In the directors' opinion:

- the attached financial statements and notes 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 give a true and fair view of the consolidated entity's financial position as at 31 December 2016 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

A handwritten signature in black ink, appearing to read 'Charlie Nakamura'.

Charlie Nakamura
Director

24 February 2017
Sydney

**A1 INVESTMENTS AND RESOURCES LTD AND CONTROLLED ENTITIES
ABN 44 109 330 949****INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
A1 INVESTMENTS AND RESOURCES LTD****SYDNEY**

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Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of A1 Investments and Resources Ltd, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of A1 Investments and Resources Ltd are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of A1 Investments and Resources Limited's financial position as at 31 December 2014 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of A1 Investments and Resources Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

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A1 INVESTMENTS AND RESOURCES LTD AND CONTROLLED ENTITIES
ABN 44 109 330 949

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
A1 INVESTMENTS AND RESOURCES LTD

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of A1 Investments and Resources Ltd is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of A1 Investments and Resources Limited's financial position as at 31 December 2016 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the consolidated entity has incurred a net loss after tax of \$1,321,282 during the half-year ended 31 December 2016 and, as of that date, the consolidated entity's current liabilities exceed its current assets by \$3,420,286. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner
Dated: 24 February 2017