

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	6142.6%	to	2,309,451
Profit from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	up	106.1%	to	48,649
Profit for the half-year attributable to the owners of A1 Investments & Resources Ltd	up	106.1%	to	48,649

Dividends

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

Comments

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$48,649 (31 December 2014: loss of \$791,861).

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	0.01

4. Control gained over entities

Name of entities (or group of entities)	Tournet Oceania Pty Limited and Great Voyage Co. Ltd.
Date control gained	1 July 2015 and 11 September 2015

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	38,039
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)	(9,478)

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%	-	-	-
<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 2015 is attached.

12. Signed


Signed _____

Date: 26 February 2016

Charlie Nakamura
Director
Sydney

A1 Investments & Resources Ltd and its controlled entities

ABN 44 109 330 949

Interim Report - 31 December 2015

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 2015.

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 both Australia and Japan.

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

Review of operations

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$48,649 (31 December 2014: loss of \$791,861).

For the period 1 July 2015 to 31 December 2015 the the consolidated entity undertook the following matters:

1. COTY Guam

At 30 June 2015 the acquisition of a 50% interest in this company had been completed. The consolidated entity and its partners are continuing to explore the development requirements and the expanded potential of the 7.8 hectares of industrial land in Guam. Final plans of subdivision have been completed. Tenders are being sought for the capital works required as part of the development approval requirements. As part of our business plan for COTY Guam for the calendar year 2016 the consolidated entity is examining some further opportunities to open up its investment in advance of the required further development.

2. Tournet Oceania

In early July 2015 the the consolidated entity acquired 100% of Tournet Oceania Pty Limited ('Tournet') for \$90,000 by way of issue of shares in the company at an issue price of \$0.001 per share. Tournet provides tourist services primarily to Japanese in-bound tourists in Australia. Tournet has performed to expectations but its results in the period to 31 December 2015 were limited by the delay in All Nippon Airways ('ANA') commencing services to Australia. ANA has now commenced and with its very aggressive pricing strategy is attracting a significant increase in Japanese tourists to Australia which will have a direct benefit on the revenues of Tournet. Along with the arrival of a further commercial bus the consolidated entity expects Tournet to meet its target revenue and profit for the year to 30 June 2016.

3. Ikkyu Ramen

In August 2015 the consolidated entity acquired the business of Ikkyu Ramen in the Haymarket district of Sydney for \$120,000 by way of issue of shares in the company at an issue price of \$0.001 per share. The acquisition of this business was part of a strategic plan to strengthen the food credentials of the group. Mr Haru Inukai joined as an executive chef and his influence, expertise and reputation are enhancing the consolidated entity's position across a range of food related businesses.

Further rationalisation of the business of Ikkyu Ramen is taking place and the company is confident that the revenue targets of the business will be met.

4. Great Voyage

In September 2015 the company's subsidiary A1 Investments Japan Co., Limited acquired 100% of Great Voyage Co Limited ('Great Voyage') for \$682,000 by way of cash transfer. Great Voyage is a company primarily engaged in transport advertising within Tokyo. The purchase of Great Voyage was opportunist as the company had significant potential to be expanded into other Japanese cities and indeed further, using the current model.

Great Voyage has provided revenue in its first 4 months of operations within the group in accordance with its target and we expect the full year revenue to be met and a net profit of A\$200,000 to 30 June 2016.

The consolidated entity is examining how we can support the further expansion of Great Voyage in 2016.

A1 Japan is examining other investment opportunities within the Japanese domestic market and we are targeting at least one further acquisition in 2016.

5. EQ Foods

In November 2015 the consolidated entity acquired a wholesale food production business which required new premises, management and additional capital to prosper. The consolidated entity formed a new business it has called EQ Foods and commenced operations in Brookvale on the northern beaches of Sydney.

EQ Foods produces a range of products for the restaurants of Sydney. These products range from sushi rice, to soups, stocks and sauces. With the added expertise and reputation of Haru, EQ Foods has commenced to extend its range of products. EQ Foods has entered a strategic alliance with a large food wholesaler with potential to expand the product range throughout Australia.

EQ Foods is undertaking a re-branding of the products and a more focused sales and marketing program to support the business.

EQ Foods has a target revenue for 2016 of \$3.5 million and a net profit of \$200,000.

6. General investment and opportunities

The consolidated entity is continuing to examine opportunities as they may be presented.

The consolidated entity will remain focused on the following industry sectors;

- Property development - an industrial development in Sydney is currently under consideration.
- Tourism - an in-bound tourist business in Japan similar to that of Tournet is currently being examined.
- Transport Advertising - an expansion of Great Voyage to other Japanese cities is currently being examined
- Retail food businesses - further support of Ikkyu Ramen in Sydney using the model of the existing ramen operation is currently being examined and retail franchise food businesses in Japan are currently under investigation for wholly or partial acquisition
- Wholesale Food businesses - Substantial potential to expand EQ Foods will be examined. The operation of multiple shifts from the new Brookvale premises is possible if demand is sufficient; the commencement of a new brand for EQ Foods and the expansion of the product range of EQ Foods under the new brand
- SuperSorghum - the consolidated entity retains its interest in the development SuperSorghum distribution and sales.
- Food industry investment opportunities - the consolidated entity is examining other food industry investment opportunities including the possibility of acquiring a substantial interest in an existing successful wholesale food business.

7. Performance rights

At the Annual General Meeting of the company on 12 November 2015 the shareholders approved a performance rights plan. The full details of that Plan are set out in the Explanatory Statement to Item 6 on the Notice of Meeting.

Under the Plan, selected employees and consultants including executive Directors, may be granted Performance Share Rights which will entitle them to receive ordinary shares in the Company, subject to the Company meeting performance objectives specified in the Explanatory Statement.

The Performance Share Rights may be issued in various tranches as set out in the Schedule in the Explanatory Statement which will then convert to ordinary shares in the Company on the satisfaction of the Performance Conditions.

The maximum number of Performance Shares that can be issued on conversion of the Performance Share Rights is 2,500,000,000. Performance Share Rights may be issued to an 'Eligible Person', which means employees, consultants and Directors of the Company and any subsidiary. The Performance Share Rights in respect of an employee will vest on meeting the Performance Condition. The employee must still be employed by the Company at the time of vesting.

On 12 November 2015, 890,000,000 performance rights were granted for nil consideration. None of these performance rights vested or were converted to shares during the reporting period.

8. Outlook

The consolidated entity has a target revenue for the year to 30 June 2016 of \$3 million and for the financial year to 30 June 2017 of \$7.7 million.

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



Charlie Nakamura
Director

26 February 2016
Sydney

A1 INVESTMENTS AND RESOURCES LIMITED
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 LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015 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
Date: 26 February 2016

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independent
accounting
and consulting firms

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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 2015



		Consolidated	
	Note	Half-year ended 31 Dec 2015 \$	Half-year ended 31 Dec 2014 \$
Revenue	4	2,309,451	592
Investment and other income	5	659,186	112,306
Expenses			
Raw materials and consumables used		(1,481,777)	-
Employee benefits expense		(650,737)	(161,375)
Depreciation expense		(19,084)	(1,215)
Consultancy and professional fees		(412,219)	(150,022)
Foreign exchange losses		-	(1,335)
Share registry and listing expenses		(43,434)	(34,602)
Net loss on disposal of investments		-	(29,085)
Net loss on financial assets through profit or loss		(19,250)	-
Other expenses		(230,775)	(104,883)
Finance costs		(53,371)	(72,093)
Profit/(loss) before income tax expense from continuing operations		57,990	(441,712)
Income tax expense		(9,341)	-
Profit/(loss) after income tax expense from continuing operations		48,649	(441,712)
Loss after income tax expense from discontinued operations		-	(349,315)
Profit/(loss) after income tax expense for the half-year		48,649	(791,027)
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)	-
Gain on the revaluation of available-for-sale financial assets, net of tax		-	333,018
Foreign currency translation		220	5,213
Other comprehensive income/(loss) for the half-year, net of tax		(616,316)	338,231
Total comprehensive income/(loss) for the half-year		<u>(567,667)</u>	<u>(452,796)</u>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		-	834
Owners of A1 Investments & Resources Ltd		48,649	(791,861)
		<u>48,649</u>	<u>(791,027)</u>
Total comprehensive income/(loss) for the half-year is attributable to:			
Continuing operations		-	-
Discontinued operations		-	834
Non-controlling interest		-	834
Continuing operations		(567,667)	(108,694)
Discontinued operations		-	(344,936)
Owners of A1 Investments & Resources Ltd		(567,667)	(453,630)
		<u>(567,667)</u>	<u>(452,796)</u>

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 2015



		Consolidated	
	Note	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
		\$	\$
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	23	0.0005	(0.0221)
Diluted earnings per share	23	0.0005	(0.0221)
Earnings per share for loss from discontinued operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	23	-	(0.0175)
Diluted earnings per share	23	-	(0.0175)
Earnings per share for profit/(loss) attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	23	0.0005	(0.0397)
Diluted earnings per share	23	0.0005	(0.0397)

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 2015



		Consolidated	
	Note	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Assets			
Current assets			
Cash and cash equivalents	6	456,861	1,069,747
Trade and other receivables	7	736,618	150,000
Inventories		67,860	-
Financial assets at fair value through profit or loss	8	120,750	140,000
Available-for-sale financial assets	9	-	905,068
Other	10	90,470	-
Total current assets		<u>1,472,559</u>	<u>2,264,815</u>
Non-current assets			
Receivables		1,175,062	1,117,721
Investments accounted for using the equity method		1,938	1,938
Property, plant and equipment	11	256,356	9,304
Intangibles	12	893,837	-
Deferred tax		3,509	-
Total non-current assets		<u>2,330,702</u>	<u>1,128,963</u>
Total assets		<u>3,803,261</u>	<u>3,393,778</u>
Liabilities			
Current liabilities			
Trade and other payables	13	637,200	948,736
Borrowings	14	285,273	60,000
Income tax		32,308	-
Total current liabilities		<u>954,781</u>	<u>1,008,736</u>
Non-current liabilities			
Borrowings	15	<u>621,105</u>	-
Total non-current liabilities		<u>621,105</u>	-
Total liabilities		<u>1,575,886</u>	<u>1,008,736</u>
Net assets		<u>2,227,375</u>	<u>2,385,042</u>
Equity			
Issued capital	16	30,378,956	29,968,956
Reserves	17	819,922	1,436,238
Accumulated losses		<u>(28,971,503)</u>	<u>(29,020,152)</u>
Total equity		<u>2,227,375</u>	<u>2,385,042</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 2015



	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Consolidated					
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/(loss) 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	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>
	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Consolidated					
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 (note 16)	410,000	-	-	-	410,000
Balance at 31 December 2015	<u>30,378,956</u>	<u>819,922</u>	<u>(28,971,503)</u>	<u>-</u>	<u>2,227,375</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 2015



		Consolidated	
	Note	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		2,194,594	-
Payments to suppliers and employees		(3,207,340)	(781,251)
		(1,012,746)	(781,251)
Interest received		22,798	595
Interest and other finance costs paid		(53,371)	(75,456)
Net cash used in operating activities		(1,043,319)	(856,112)
Cash flows from investing activities			
Payment for purchase of businesses and subsidiaries, net of cash acquired	21	(350,876)	-
Payments for property, plant and equipment	11	(146,116)	(2,079)
Proceeds from disposal of business		-	10,000
Proceeds from disposal of investments		-	111,353
Proceeds from disposal of property, plant and equipment		-	29,471
Proceeds from release of security deposits		-	450
Net cash from/(used in) investing activities		(496,992)	149,195
Cash flows from financing activities			
Proceeds from issue of shares	16	200,000	33,500
Proceeds from loans		727,425	501,030
Repayment of borrowings		-	(23,486)
Net cash from financing activities		927,425	511,044
Net decrease in cash and cash equivalents		(612,886)	(195,873)
Cash and cash equivalents at the beginning of the financial half-year		1,069,747	206,857
Cash and cash equivalents at the end of the financial half-year		456,861	10,984

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 26 February 2016. 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 2015 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 2015 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, except for the policies stated below.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

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

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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 2015 and are not expected to have any significant impact for the full financial year ending 30 June 2016. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The directors draw attention to the following financial position which shows that the net cash outflow of the consolidated entity for the period 1 July 2015 to 31 December 2015 was an amount of \$612,886 leaving a net cash balance at 31 December 2015 of \$456,861.

The financial statements have been prepared on a going concern basis because the consolidated entity has sufficient cash to continue to trade in the ordinary course of business for a period of 12 months from this report. The directors recognise that without further cash the consolidated entity may not be able to trade after the expenditure of its current cash amount.

The directors are confident of the following:

- COTY Guam will be wholly re-financed during the next 3 months which will release to the consolidated entity not less than \$1,100,000;
- WIN A1 Food Platform Services Pty Limited primarily trading as Ikkyu Ramen will be cash positive and profitable by 30 June 2016;
- WIN A1 Pty Limited trading as EQ Foods will be cash positive and profitable by 30 June 2016;
- Some WIN A1 assets will be financed and leased back providing cash to the company of not less than \$110,000; and
- Great Voyage in Japan will be profitable with enough cash to meet the overheads of A1 Investments Japan and will generate sufficient cash to be able to meet the first capital reduction payment of the loan due by A1 Investments Japan in September 2016.

Cash flow forecasts prepared by management demonstrate the consolidated entity has sufficient cash flows to meet its commitments over the next 12 months based on the above facts. For this reason, the financial statements have been prepared on the basis the consolidated entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal 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.

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 at least 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 a commercial kitchen and restaurants predominantly in Sydney, Australia
Tourism	the provision of tourism services for Japanese clients in Sydney, Australia
Advertising	the provision of advertising services predominantly in Japan

Note 3. Operating segments (continued)

Major customers

No single customer contributed 10% or more to the Group's external revenue during the half years ended 31 December 2015 and 31 December 2014.

Operating segment information

	General investment	Food	Tourism	Advertising	Intersegment eliminations/ unallocated	Total
Consolidated - Half-year ended 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>
Assets						
Segment assets	<u>2,410,617</u>	<u>116,515</u>	<u>209,004</u>	<u>436,312</u>	<u>630,813</u>	<u>3,803,261</u>
Total assets						<u>3,803,261</u>
Liabilities						
Segment liabilities	<u>95,319</u>	<u>141,920</u>	<u>256,564</u>	<u>342,538</u>	<u>739,545</u>	<u>1,575,886</u>
Total liabilities						<u>1,575,886</u>

During the half year ended 31 December 2014 and the year ended 30 June 2015, the consolidated entity operated in one segment, being an investment company focusing in projects in Australia. As a result of this, the operating segment information for the comparative periods is as disclosed in the statements and notes to the financial statements throughout the report.

Note 4. Revenue

	Consolidated Half-year ended 31 Dec 2015 \$	Half-year ended 31 Dec 2014 \$
<i>Sales revenue</i>		
Food and beverage	510,467	-
Tourism	717,196	-
Advertising	1,020,990	-
	<u>2,248,653</u>	<u>-</u>
<i>Other revenue</i>		
Research fees	38,000	-
Interest	22,798	592
	<u>60,798</u>	<u>592</u>
Revenue	<u>2,309,451</u>	<u>592</u>

Note 5. Investment and other income

	Consolidated	
	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
	\$	\$
Net foreign exchange gain	42,650	-
Net gain on financial assets through profit or loss	-	112,306
Net gain on disposal of investments	616,536	-
	<u>659,186</u>	<u>112,306</u>
Investment and other income		

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Cash and cash equivalents	<u>456,861</u>	<u>1,069,747</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Trade receivables	720,083	-
Other receivables	16,535	150,000
	<u>736,618</u>	<u>150,000</u>

Note 8. Current assets - financial assets at fair value through profit or loss

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Shares in listed entities - designated at fair value through profit or loss	<u>120,750</u>	<u>140,000</u>

Refer to note 19 for further information on fair value measurement.

Note 9. Current assets - available-for-sale financial assets

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Shares in unlisted entities	<u>-</u>	<u>905,068</u>

Refer to note 19 for further information on fair value measurement.

Shares in unlisted entities relate to its holding in PAFtec Pty Ltd which were assigned to the convertible note holders during the half year ended 31 December 2015 (refer to note 13).

Note 10. Current assets - other

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Prepayments	11,520	-
Deposits paid	40,725	-
Other current assets	38,225	-
	<u>90,470</u>	<u>-</u>

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Leasehold improvements - at cost	10,557	-
Less: Accumulated depreciation	(2,129)	-
	<u>8,428</u>	<u>-</u>
Plant and equipment - at cost	57,121	24,282
Less: Accumulated depreciation	(11,203)	(14,978)
	<u>45,918</u>	<u>9,304</u>
Motor vehicles - at cost	212,836	-
Less: Accumulated depreciation	(10,826)	-
	<u>202,010</u>	<u>-</u>
	<u>256,356</u>	<u>9,304</u>

Reconciliations

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

	Leasehold improvements \$	Plant and equipment \$	Motor Vehicles \$	Total \$
Consolidated				
Balance at 1 July 2015	-	9,304	-	9,304
Additions	-	29,668	116,448	146,116
Additions through business combinations (note 21)	10,557	13,076	96,387	120,020
Depreciation expense	(2,129)	(6,130)	(10,825)	(19,084)
Balance at 31 December 2015	<u>8,428</u>	<u>45,918</u>	<u>202,010</u>	<u>256,356</u>

Note 12. Non-current assets - intangibles

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Goodwill - at cost	<u>893,837</u>	<u>-</u>

Note 12. Non-current assets - intangibles (continued)

Reconciliations

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

Consolidated	Goodwill \$	Total \$
Balance at 1 July 2015	-	-
Additions through business combinations (note 21)	893,837	893,837
Balance at 31 December 2015	<u>893,837</u>	<u>893,837</u>

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	
	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Food	140,000	-
Advertising	615,843	-
Tourism	137,994	-
	<u>893,837</u>	<u>-</u>

Goodwill is tested annually for impairment. For the half year ended 31 December 2015, the recoverable amount of the goodwill and the CGU's to which it belongs has been determined based on fair value less to costs to sell. This is on the basis that:

1. goodwill arose from acquisitions that occurred between 1 July 2015 and 11 November 2015;
2. since acquisition date the financial performance of the respective acquisitions are generally in accordance with the directors' expectations; and
3. no other indicators of impairment exist.

Note 13. Current liabilities - trade and other payables

	Consolidated	
	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Trade payables	419,846	-
Other payables and accruals	217,354	43,682
Payable to convertible noteholders	-	850,000
Other payables	-	55,054
	<u>637,200</u>	<u>948,736</u>

The \$850,000 payable to convertible noteholders relates to those noteholders who elected to take shares in PAFtec Pty Limited. The assignment of the PAFtec shares to a trustee company of the noteholders was completed on 7 August 2015 and the company has no further legal liability to the noteholders.

Note 14. Current liabilities - borrowings

	Consolidated	
	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Other loans - unsecured	241,860	60,000
Lease liability	43,413	-
	<u>285,273</u>	<u>60,000</u>

Other loans

\$60,000 (2014: \$60,000) represent advances from WIN Singapore Holdings Pte Limited. The loan is unsecured and interest of 8% per annum is payable in arrears on the maturity date which is 31 December 2016.

\$181,860 (2014: \$nil) represent advances to A1 Investments Japan Co., Limited from Family Life Service Co., Limited (Japan). Refer to note 15 for further details.

Note 15. Non-current liabilities - borrowings

	Consolidated	
	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Other loans - unsecured	556,944	-
Lease liability	64,161	-
	<u>621,105</u>	<u>-</u>

Other loans

As at 31 December 2015 other loans represent advances to A1 Investments Japan Co., Limited from Family Life Service Co., Limited (Japan). The total loan was 65,000,000 Japanese Yen ('JPY') and the funds were used to acquire Great Voyages Co Limited. 16,000,000 JPY is repayable on 10 September 2016, 10 September 2017 and 10 September 2018 respectively and a final payment of 17,000,000 JPY is due on maturity date which is 30 September 2019. The loan is unsecured and interest of 5.424% per annum is payable in arrears.

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Lease liability	<u>107,574</u>	<u>-</u>

Assets pledged as security

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

Note 16. Equity - issued capital

	Consolidated			
	As at 31 Dec 2015 Shares	As at 30 Jun 2015 Shares	As at 31 Dec 2015 \$	As at 30 Jun 2015 \$
Ordinary shares - fully paid	<u>10,807,266,550</u>	<u>10,597,266,550</u>	<u>30,378,956</u>	<u>29,968,956</u>

Note 16. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2015	10,597,266,550		29,968,956
Shares issued on acquisition of Tournet Oceania Pty Limited	1 July 2015	90,000,000	\$0.0010	90,000
Shares issued on acquisition of Ikkyu Ramen	4 August 2015	120,000,000	\$0.0010	120,000
Settlement of shares from exercise of options	1 December 2015	-	\$0.0000	200,000
Balance	31 December 2015	<u>10,807,266,550</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 17. Equity - reserves

	Consolidated	
	As at 31 Dec 2015	As at 30 Jun 2015
	\$	\$
Available-for-sale reserve	-	616,536
Foreign currency reserve	220	-
Other reserves	<u>819,702</u>	<u>819,702</u>
	<u>819,922</u>	<u>1,436,238</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Available-for-sale \$	Foreign currency \$	Other \$	Total \$
Balance at 1 July 2015	616,536	-	819,702	1,436,238
Foreign currency translation	-	220	-	220
Transfer to income statement on disposal of investment	<u>(616,536)</u>	<u>-</u>	<u>-</u>	<u>(616,536)</u>
Balance at 31 December 2015	<u>-</u>	<u>220</u>	<u>819,702</u>	<u>819,922</u>

Note 18. Equity - dividends

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

Note 19. 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 \$
Consolidated - As at 31 Dec 2015				
<i>Assets</i>				
Shares in listed entities	120,750	-	-	120,750
Total assets	120,750	-	-	120,750

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated - As at 30 Jun 2015				
<i>Assets</i>				
Shares in listed entities	140,000	-	-	140,000
Shares in unlisted entities	-	-	905,068	905,068
Total assets	140,000	-	905,068	1,045,068

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 \$
Consolidated		
Balance at 1 July 2015	905,068	905,068
Disposals	(905,068)	(905,068)
Balance at 31 December 2015	-	-

Note 20. Contingent liabilities

As part of the business acquisition agreement for the purchase of the business of Ikkyu Ramen, the consolidated entity has pledged to make a performance payment to the order of \$30,000 payable by the issue of fully paid ordinary shares in A1 Investment & Resources Ltd at an issue price of \$0.001 per share if Ikkyu Ramen produces \$77,000 in profit for the first 12 months after purchase. No provision has been recognised in the financial statements in relation to this.

Note 21. Business combinations

Acquisition of Tournet Oceania Pty Limited

On 1 July 2015, the consolidated entity acquired 100% of the issued share capital in Tournet Oceania Pty Limited ('Tournet') for \$90,000 by way of issue of shares in the company at an issue price of \$0.001 per share. Tournet is a long established in-bound tourist business with long term associations with Japanese tourist company wholesalers. Tournet specialises in providing Japanese tourists with local tours including a Sydney night tour, golfing tours and tours to the Blue Mountains. The acquisition shall form the basis for the consolidated entity's investment in the tourism industry in Australia. The goodwill of \$137,994 is attributed to the expected synergies and other benefits of combining the activities of Tournet to the consolidated entity. The acquired business contributed revenues of \$717,198 and profit after tax of \$432 to the consolidated entity for the period from 1 July 2015 to 31 December 2015. The values identified in relation to the acquisition of Tournet are provisional as at 31 December 2015.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	144,372
Trade receivables	136,845
Leasehold improvements	10,557
Plant and equipment	8,076
Motor vehicles	96,387
Trade payables	(108,589)
Other payables	(216,689)
Lease liability	(118,953)
	<hr/>
Net liabilities acquired	(47,994)
Goodwill	137,994
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>90,000</u>
Representing:	
A1 Investments & Resources Ltd shares issued to vendor	<u>90,000</u>

Acquisition of the business of ASA Foods Pty Ltd

On 4 August 2015, the consolidated entity acquired all the business of ASA Foods Pty Limited known as Ikkyu Ramen for \$120,000 by way of issue of shares in the company at an issue price of \$0.001 per share. A further performance payment equivalent to \$30,000 is to be paid by way of issue of shares in the company at an issue price of \$0.001 per share in 12 months subject to the achievement of certain milestones. No value has been attributed to the contingent performance payment as the probability of this profit hurdle being achieved is insufficiently certain. The primary business of Ikkyu Ramen is a Japanese ramen restaurant in Sydney which is run by the award winning chef, Mr. Haru Inukai. Mr. Inukai has been employed by the consolidated entity to manage and operate its new food business. No assets were acquired or liabilities assumed as part of the acquisition and total consideration of \$120,000 represents goodwill. The goodwill is attributed to the expected synergies and other benefits of combining the activities of Ikkyu Ramen to the consolidated entity. The acquired business contributed revenues of \$198,248 and a loss after tax of \$26,444 to the consolidated entity for the period from 4 August to 31 December 2015. If the acquisition occurred on 1 July 2015, the half year contributions would have been revenues of \$244,816 and loss after tax of \$32,655. The values identified in relation to the acquisition of Ikkyu Ramen are provisional as at 31 December 2015.

Details of the acquisition are as follows:

	Fair value \$
Goodwill	120,000
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>120,000</u>
Representing:	
A1 Investments & Resources Ltd shares issued to vendor	<u>120,000</u>

Note 21. Business combinations (continued)

Acquisition of Great Voyage Co. Ltd.

On 11 September 2015, the consolidated entity acquired 100% of the issued share capital in Great Voyage Co. Ltd. ('Great Voyage') for \$682,000. Great Voyage is a specialised advertising agency headquartered in Tokyo, Japan that has developed a niche advertising business using public transport as a medium for advertising. Great Voyage will continue to operate independently while leveraging the consolidated entity's resources. The goodwill of \$615,843 is attributed to the expected synergies and other benefits of combining the activities of Great Voyage to the consolidated entity. The acquired business contributed revenues of \$1,020,990 and profit after tax of \$64,472 to the consolidated entity for the period from 11 September 2015 to 31 December 2015. If the acquisition occurred on 1 July 2015, the half year contributions would have been revenues of \$1,732,212 and profit after tax of \$48,899. The values identified in relation to the acquisition of Great Voyage are provisional as at 31 December 2015.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	231,622
Trade receivables	368,808
Other receivables	3,377
Deferred tax asset	1,858
Trade payables	(508,742)
Other payables	(9,450)
Provision for income tax	(21,316)
	<hr/>
Net assets acquired	66,157
Goodwill	615,843
	<hr/>
Acquisition-date fair value of the total consideration transferred	682,000
	<hr/> <hr/>
Representing:	
Cash paid or payable to vendor	682,000
	<hr/> <hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	682,000
Less: cash and cash equivalents	(231,622)
	<hr/>
Net cash used	450,378
	<hr/> <hr/>

Note 21. Business combinations (continued)

Acquisition of the business of Yes Food Services Pty Limited ('Yes Food')

On 11 November 2015, the consolidated entity acquired the business assets of Yes Food comprising of equipment and stock for \$44,870. The acquisition formed the basis of a new business created by the consolidated entity called EQ Foods. EQ Foods will continue to operate independently while leveraging the consolidated entity's resources. The goodwill of \$20,000 is attributed to the expected synergies and other benefits of combining the activities of EQ Foods to the consolidated entity. The acquired business contributed revenues of \$312,220 and profit after tax of \$1,036 to the consolidated entity for the period from 23 November 2015 to 31 December 2015. If the acquisition occurred on 1 July 2015, the half year contributions would have been revenues of \$1,511,802 and profit after tax of \$5,016. The values identified in relation to the acquisition of the Yes Food Service business are provisional as at 31 December 2015.

Details of the acquisition are as follows:

	Fair value \$
Inventories	19,870
Plant and equipment	5,000
Net assets acquired	24,870
Goodwill	20,000
Acquisition-date fair value of the total consideration transferred	<u>44,870</u>
Representing:	
Cash paid or payable to vendor	<u>44,870</u>

Note 22. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 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 23. Earnings per share

	Consolidated Half-year ended 31 Dec 2015 \$	Half-year ended 31 Dec 2014 \$
<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>48,649</u>	<u>(441,712)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,779,889,500</u>	<u>1,996,582,590</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,779,889,500</u>	<u>1,996,582,590</u>
	Cents	Cents
Basic earnings per share	0.0005	(0.0221)
Diluted earnings per share	0.0005	(0.0221)

Note 23. Earnings per share (continued)

	Consolidated	
	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax	-	(349,315)
Non-controlling interest	-	(834)
	<u>-</u>	<u>(350,149)</u>
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd		
	<u>-</u>	<u>(350,149)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,779,889,500</u>	<u>1,996,582,590</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,779,889,500</u>	<u>1,996,582,590</u>
	Cents	Cents
Basic earnings per share	-	(0.0175)
Diluted earnings per share	-	(0.0175)
	Consolidated	Consolidated
	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
	\$	\$
<i>Earnings per share for profit/(loss)</i>		
Profit/(loss) after income tax	48,649	(791,027)
Non-controlling interest	-	(834)
	<u>48,649</u>	<u>(791,861)</u>
Profit/(loss) after income tax attributable to the owners of A1 Investments & Resources Ltd		
	<u>48,649</u>	<u>(791,861)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,779,889,500</u>	<u>1,996,582,590</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,779,889,500</u>	<u>1,996,582,590</u>
	Cents	Cents
Basic earnings per share	0.0005	(0.0397)
Diluted earnings per share	0.0005	(0.0397)

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 2015 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



Charlie Nakamura
Director

26 February 2016
Sydney

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

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

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Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of A1 Investments and Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2015, 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 Limited 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 Limited, 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.

A member of AGN
International Ltd, a
worldwide association
of separate and
independent
accounting
and consulting firms

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

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
A1 INVESTMENTS AND 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 interim financial report of A1 Investments and Resources Limited 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 2015 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.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend

Partner

Dated: 26 February 2016