

Appendix 4D

Half yearly report

Name of Entity	TasFoods Limited
ACN	084 800 902
Financial Period Ended	30 June 2016
Previous Corresponding Reporting Period	30 June 2015

Results for Announcement to the Market

Results for Announcement to the Market

	30 June 2016 \$'000	30 June 2015 \$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from continuing operations	2,001	320	525%
Profit / (loss) from ordinary activities after tax attributable to members	(1,546)	(977)	(58)%
Net profit / (loss) for the period attributable to members	(1,684)	(2,940)	43%
Dividends (distributions)	Amount per security		Franked amount per security
Final Dividend	Nil		Nil
Interim Dividend	Nil		Nil
Previous corresponding period	9.0 cents		0.0%
Record date for determining entitlements to the dividends (if any)			N/A
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
Refer Attachment 1.			
The half-yearly report is to be read in conjunction with the most recent annual financial report.			

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	16.53 cents per share	22.46 cents per share

Control Gained Over Entities

Name of entity (or group of entities)	Nichols Poultry Pty Ltd
Date control gained	15 June 2016
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	\$(107k)

Name of entity (or group of entities)	Shima Wasabi Pty Ltd
Date control gained	15 June 2016
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	\$(3k)

Loss of Control Over Entities

Name of entity (or group of entities)	Consolidated Payment Services Limited
Date control lost	24 June 2016
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	\$0
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	\$0

Name of entity (or group of entities)	One Rewards Ltd
Date control lost	13 May 2016
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	\$0
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	\$0

Details of Associates and Joint Venture Entities

Not applicable

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not Applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not Applicable			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	ASX Announcement
2	Consolidated Interim Financial Statements for the 6 months to 30 June 2016

Signed By (Company Secretary)	Original signed
Print Name	M Licciardo
Date	29 August 2016

TASFOODS LIMITED

(formerly ONCARD INTERNATIONAL LIMITED)
ACN 084 800 902

Financial Report for the Half Year ended
30 June 2016

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TASFOODS LIMITED DIRECTORS' REPORT

The Directors of TasFoods Limited (the "Company") submit herewith the Financial Report on the Company and its controlled entities (the "Group") for the half year ended 30 June 2016.

In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors

Details of the Directors of the Company in office at any time during or since the end of the financial year and at the date of this report are:

Mr Rob Woolley (<i>BEc, FCA</i>)	Chairman and Non-Executive Director (appointed 3 September 2015).
Ms Jane Bennett	Chief Executive Officer ('CEO') and Managing Director (appointed 18 February 2016).
Mr Hugh Robertson	Non-Executive Director (appointed 21 February 2014).
Mr Roger McBain (<i>BBus, ACA</i>)	Executive Director Finance (appointed 3 September 2015), Non-Executive Director (from 1 July 2016).
Mr Antony Robinson (<i>BCom, ASA, MBA</i>)	Non-Executive Director (appointed 29 May 2014).

Company Secretaries

Mr M Licciardo	Joint Company Secretary (appointed 23 December 2014)
Mr M Rowe	Joint Company Secretary (appointed 23 December 2014, resigned 30 June 2016)

Principal Activities

TasFoods Limited's (TFL's) principal activity is the building of an integrated business based on premium food products primarily sourced from Tasmania. This incorporates dairy products produced by the Meander Valley Dairy business unit, which was acquired in September 2015, poultry products produced by the Nichols Poultry business unit and wasabi products produced by the Shima Wasabi business unit, both of which were acquired in June 2016.

Historically the Group's principal activity has been the provision of Loyalty, Rewards and Payment solutions. There has been a significant change in activities during the previous reporting period with the cessation of all loyalty and reward solution operations.

Operating Results and Financial Position

Below is a summary of the operating results and financial position for the period:

- Net loss from continuing activities: \$1,456k (2015: \$977k)
- Net loss from discontinued activities: \$138k (2015: \$1,963k)

During the period the Group was engaged in the identification and acquisition of complimentary business assets, resulting in the acquisition of the Nichols Poultry and Shima Wasabi business units on 15 June 2016. As a consequence, the Group's revenue was predominantly derived from Meander Valley Dairy operations.

The key drivers of the operating results for the half year ended 30 June 2016 were corporate costs associated with the identification of acquisition opportunities, legal and professional fees incurred in relation to acquisitions completed during the half year and the finalisation of the Van Diemen's Land Company litigation, the development of an integrated brand and marketing strategy, corporate support expenditure and salaries associated with key executive and management positions to support and implement the strategy of the Group.

Discontinued operations

Following the strategic review carried out during 2015, the Company has discontinued all loyalty and payment solutions operations. During the year, all interests in Chinese entities were disposed of. The Company retains

its interests in the remaining entities in Hong Kong, Singapore and Malaysia but is in the process of deregistering these entities or, in the case on Oncard Pte Ltd in Singapore, liquidating the company's assets.

Acquisition of Nichols Poultry Pty Ltd

TFL completed the acquisition of the share capital and associated land and buildings and wind turbine of Nichols Poultry Pty Ltd ("Nichols Poultry") on 15 June 2016, a business based in Tasmania. The consideration paid to the owners of Nichols Poultry amounted to \$9.374 million and included the issue of 8,000,000 new fully paid ordinary shares issued at a nominal value of \$0.25 (25 cents) per share to the sellers (R & J N Family Trust). The balance of the consideration (\$7.374 million) was paid in cash.

Nichols Poultry possesses a brand well known for quality. It is the second largest poultry processor in Tasmania, producing chickens for the Tasmanian market where it holds a market share of approximately 25%. Nichols Poultry has a number of attributes that positions it to supply products for a premium market, including using air chill technology during processing instead of tumbling chicken meat in chlorinated water.

Acquisition of Shima Wasabi Pty Ltd

TFL completed the acquisition of the share capital of Shima Wasabi Pty Ltd ("Shima Wasabi") on 15 June 2016, a business based in Tasmania. The consideration paid to the owners of Shima Wasabi amounted to \$2.768 million and included the issue of 1,200,000 new fully paid ordinary shares issued at a nominal value of \$0.25 (25 cents) per share to the sellers (Stephen Welsh and Karen Welsh). The balance of the consideration (\$2.468 million) was paid in cash.

Shima Wasabi operates a business producing and distributing both fresh and powdered wasabi.

Acquisition of Goat Herd

In June 2016, TFL acquired 500 goats, 10 bucks and related plant and equipment from Cosy Goats in Tasmania. This acquisition is intended to provide milk from the goats to develop a new range of products.

Capital Raising

On 19 February 2016 the Company issued 22,232,000 ordinary shares at \$0.25 (25 cents) per share to the sophisticated investors and investors associated with the Company who took up the shortfall in the Company's share purchase plan offer (due to eligible shareholders not applying for their full entitlement of shares under the offer) and under a placement of new and fully paid ordinary shares in the Company.

On 8 March 2016 the Company issued 1,200,000 ordinary shares at \$0.25 (25 cents) per share to sophisticated investors to enable further acquisitions and other growth opportunities.

A prospectus was issued in May 2016, detailing a public offer of the Company's shares. The offer was concluded in June 2016 and, as a result, 101,577,000 ordinary shares were issued by the Company at \$0.25 (25 cents) per share, raising \$25,394,250 before costs. The cash raised was used in the settlement of the acquisition of Nichols Poultry and to provide the Company with working capital as it continues its strategy of acquiring and developing (including capital infrastructure expenditure) premium branded food products and businesses.

Rounding of Amounts

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The company is an entity to which the Class Order applies. Amounts in the directors' report have been rounded off in accordance with the Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

After Balance Date Events

The Board are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

**TASFOODS LIMITED
DIRECTORS' REPORT**

Signed in accordance with a resolution of the Directors made pursuant to s.298 (2) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in dark ink, reading "Rob Woolley". The signature is written in a cursive style. Below the signature is a short, horizontal line.

Rob Woolley
Chairman
29 August 2016



Auditor's Independence Declaration

As lead auditor for the review of TasFoods Limited for the half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TasFoods Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Alison Tait'.

Alison Tait
Partner
PricewaterhouseCoopers

Melbourne
29 August 2016

TASFOODS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$'000	30 June 2015 \$'000
Revenue from continuing operations		2,001	320
Other income		33	695
Materials and consumables		(1,387)	-
Employment & contractor expense		(1,202)	(1,387)
Occupancy costs		(114)	(74)
Depreciation and amortisation		(32)	(5)
Travel & accommodation		(70)	(21)
Legal and professional fees		(355)	(395)
Other expenses		(420)	(120)
Loss before income tax		(1,546)	(987)
Income tax expense		-	10
Net Loss after tax for the half year from continuing operations		(1,546)	(977)
Net Profit after tax for the half year from discontinued operations	10	(138)	(1,963)
Net (Loss)/Profit for the half year		(1,684)	(2,940)
Other Comprehensive income			
<i>Items that may be reclassified to profit or loss in the future:</i>			
Exchange differences on translation of continuing operations		-	49
Exchange differences on translation of discontinued operations		(8)	(48)
Other comprehensive loss net of tax		(8)	1
Total comprehensive income		(1,692)	(2,939)
Net Profit for the period is attributable to:			
Non-controlling interest		-	2
Owners of TasFoods Limited		(1,684)	(2,942)
		(1,684)	(2,940)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	2
Owners of TasFoods Limited		(1,692)	(2,941)
		(1,692)	(2,939)
Basic (loss)/earnings per share (cents per share)		(3.01)	(1.73)
Diluted (loss)/earnings per share (cents per share)		(3.01)	(1.73)
Basic (loss)/earnings per share from continuing operations (cents per share)		(2.77)	(0.57)
Diluted (loss)/earnings per share from continuing operations (cents per share)		(2.77)	(0.57)

The above statement should be read in conjunction with the accompanying notes.

TASFOODS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$'000	31 December 2015 \$'000
Current Assets			
Cash and cash equivalents		16,063	2,799
Trade and other receivables		2,618	1,718
Biological assets		910	-
Inventory		913	30
Other current assets		276	71
Total Current Assets		20,780	4,618
Non-Current Assets			
Property, plant and equipment	5	10,509	230
Intangible assets	4	8,745	1,879
Total Non-Current Assets		19,254	2,109
Total Assets		40,034	6,727
Current Liabilities			
Trade and other payables		3,016	989
Borrowings		72	-
Provisions		621	187
Total current liabilities		3,709	1,176
Non-Current Liabilities			
Borrowings		411	-
Provisions		45	-
Total non-current liabilities		456	-
Total Liabilities		4,165	1,176
Net Assets		35,869	5,551
Equity			
Contributed equity	6	38,628	6,618
Reserves	7	576	584
Accumulated losses		(3,335)	(1,651)
Total Equity		35,869	5,551

The above statement should be read in conjunction with the accompanying notes.

TASFOODS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Contributed Equity	Reserves	(Accumulated losses)/ Retained Earnings	Non- Controlling Interest	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2015	38,516	375	18,265	203	57,359
Loss for the half year	-	-	(2,942)	2	(2,940)
Other comprehensive income	-	(48)	49	-	1
Total comprehensive income for the half year	-	(48)	(2,893)	2	(2,939)
Transactions with owners in their capacity as owners:					
Disposal of non-controlling interest	-	-	-	(205)	(205)
Dividends paid	-	-	(15,712)	-	(15,712)
Purchase of shares under the share buy-back scheme	(33,816)	-	-	-	(33,816)
As at 30 June 2015	4,700	327	(340)	-	4,687
At 1 January 2016	6,618	584	(1,651)	-	5,551
Loss for the half year	-	-	(1,684)	-	(1,684)
Other comprehensive income	-	(8)	-	-	(8)
Total comprehensive income for the half year	-	(8)	(1,684)	-	(1,692)
Transactions with owners in their capacity as owners:					
Acquisition transactions	2,300	-	-	-	2,300
Issue of shares	31,252	-	-	-	31,252
Share issue costs	(1,542)	-	-	-	(1,542)
As at 30 June 2016	38,628	576	(3,335)	-	35,869

The above statement should be read in conjunction with the accompanying notes.

TASFOODS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016

	30 June 2016 \$'000	30 June 2015 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	2,219	816
Payments to suppliers and employees (inclusive of GST)	(3,652)	(3,479)
Interest received	27	679
Income taxes received in overseas jurisdictions	-	3
Settlement proceeds regarding The Van Diemen's Land (VDL) Company acquisition litigation	1,250	-
Legal fees associated with the VDL litigation and settlement	(576)	-
Expenditure incurred in the pursuit of acquisitions and investment opportunities	(230)	-
Net cash provided by/(used in) operating activities	(962)	(1,981)
Cash flows from investing activities		
Payments for property, plant & equipment	(678)	-
Acquisition of goat herd	(202)	-
Proceeds from disposal of financial assets	-	2,751
Net cash used in business combination	(10,088)	-
Settlement of litigation claim	-	(250)
Net cash foregone from disposal of subsidiaries	-	(944)
Net cash (used in)/provided by investing activities	(10,968)	1,557
Cash flows from financing activities		
Proceeds from issue of shares	31,252	-
Cost of issuing shares	(1,630)	-
Payments to buy back shares	-	(33,816)
Dividends paid to equity holders	-	(15,712)
Repayment of borrowings	(4,427)	-
Net cash provided by/(used in) financing activities	25,195	(49,528)
Net (decrease)/increase in cash held	13,265	(49,952)
Cash and cash equivalents at the beginning of the year	2,799	55,331
Effects of exchange changes on the balances held in foreign currencies	(1)	(28)
Cash and cash equivalents at the end of the year	16,063	5,351

The above statement should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

This general purpose financial report for the half year ended 30 June 2016 has been prepared in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*', for the Company and its controlled entities as a consolidated group (the "Group"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The half year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 31 December 2015 and considered together with any public announcements made by TasFoods Limited during the half year ended 30 June 2016 in accordance with the continuous disclosure obligations of the ASX listing rules. Comparative figures have been adjusted to conform with changes in presentation for the current period.

The accounting policies and methods of computation are consistent with those adopted in the most recent annual financial report, with the addition of the following: -

Inventories

Inventories are measured at the lower of cost and net realisable value.

Biological Assets

Biological assets include chickens, goats and wasabi plants. Biological assets are measured at fair value less costs to sell in accordance with AASB 141. Where fair value cannot be measured reliably they are measured at cost less impairment losses.

The change in estimated fair value is charged to the income statement on a separate line as fair value adjustment of biological assets.

Historically the Group's principal activity has been the provision of Loyalty, Rewards and Payment solutions. There has been a significant change in activities during the prior reporting period with the cessation of all loyalty and reward solution operations. The group maintains a Payment solution, however, since September 2015, TasFoods has been focused on the production of premium food products.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Group has adopted all applicable new and amended Australian Accounting Standards and AASB Interpretations as of 1 January 2016 that are mandatory to the current reporting period. There has been no material impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards.

Impact of standards issued but not yet applied by the entity

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not yet mandatory for the current reporting period and have not been early adopted by the Group. The major accounting standards that have not been early adopted, but will be applicable to the Group in future reporting years, are detailed below. Apart from these standards, the Group has considered other accounting standards that will be applicable in future years, however they have been considered insignificant to the Group.

- AASB 9 '*Financial Instruments*' includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 '*Financial Instruments: Recognition and Measurement*', which becomes mandatory for the Group's 31 December 2018 financial statements. Whilst a comprehensive assessment of the impacts of the introduction of the standard has not been undertaken, it is not expected that there will be a material impact upon the classification or measurement of the Group's financial assets and liabilities.
- AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 '*Revenue*', IAS 11 '*Construction Contracts*', and IFRIC 13 '*Customer Loyalty Programmes*'. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. It is not expected to significantly impact the recognition of the Group's revenue.
- AASB 16 '*Leases*' introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard becomes mandatory for the Group's 31 December 2019 financial statements. The Group has yet to consider the impact of this standard on the measurement and disclosure of lease liabilities, as they were all acquired along with the Nichols Poultry business unit.

Rounding Amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2. SEGMENT INFORMATION

The operating segments are based on the units identified in the operating reports reviewed by the Board and executive management and that are used to make strategic decisions. The Board considers the Group from a business unit perspective and has identified five reportable segments.

- The Dairy segment incorporates the Meander Valley Dairy business, the assets of which were acquired in September 2015 and goat farming operations which were acquired in June 2016.
- The Poultry segment incorporates the net assets and business operations of Nichols Poultry Pty Ltd which was acquired in June 2016.
- The Wasabi segment consists of net assets and business operations of Shima Wasabi Pty Ltd, which was acquired in June 2016.
- The Payments & Rewards Australia/NZ segment consists of the MarketSMART loyalty system which provided services to a significant customer which in turn managed customer loyalty programmes. The customer terminated services in June 2015.
- Corporate includes all costs which are not attributable to the Dairy, Poultry, Wasabi or Payments and Rewards segments.

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

2. SEGMENT INFORMATION (CONT'D)

Management measures the performance of the segments identified at the 'net profit before tax' level.

Half Year 30 June 2016	Dairy \$'000	Poultry \$'000	Wasabi \$'000	Rewards & Payments \$'000	Corporate \$'000	Total \$'000
Revenue						
Total segment revenue	943	1,054	4	-	-	2,001
Other income	13	8	-	1	11	33
	<u>956</u>	<u>1,062</u>	<u>4</u>	<u>1</u>	<u>11</u>	<u>2,034</u>
Segment profit/(loss)	<u>(303)</u>	<u>(107)</u>	<u>(3)</u>	<u>(1)</u>	<u>(1,132)</u>	<u>(1,546)</u>
Loss after tax from discontinued operation						(138)
Loss before income tax expense						<u>(1,684)</u>
Income tax benefit						-
Loss after income tax expense						<u>(1,684)</u>
Half Year 30 June 2015				Rewards & Payments \$'000	Corporate \$'000	Total \$'000
Revenue						
Total segment revenue				91	229	320
Other income				692	3	695
Total revenue from external customers				<u>783</u>	<u>232</u>	<u>1,015</u>
Segment profit/(loss)				<u>(1,129)</u>	<u>142</u>	<u>(987)</u>
Loss after tax from discontinued operation						(1,963)
Loss before income tax expense						<u>(2,950)</u>
Income tax benefit						10
Loss after income tax expense						<u>(2,940)</u>

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

2. SEGMENT INFORMATION (CONT'D)

	Dairy	Poultry	Wasabi	Rewards & Payments	Corporate	Discontinued operations	Total
Total segment assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2016	3,567	6,111	2,772	95	27,486	3	40,034
31 December 2015	3,033	-	-	95	3,550	49	6,727
	Dairy	Poultry	Wasabi	Rewards & Payments	Corporate		Total
Total segment liabilities	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
30 June 2016	618	3,279	8	-	75	185	4,165
31 December 2015	172	-	-	-	805	200	1,177

Geographic Information

All continuing operations are based in Australia. There are no foreign based continuing operations and all revenue is generated in Australia.

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

3. BUSINESS COMBINATIONS

On 4 September 2015 the Company announced that it had acquired the business operations of the Meander Valley Dairy food products business ("Meander Valley") based in Tasmania. Furthermore, on 15 June 2016 the Company announced that it had completed the acquisition of Nichols Poultry Pty Ltd and associated assets ("Nichols Poultry") and Shima Wasabi Pty Ltd ("Shima Wasabi").

Each of the acquisitions support the Company's strategy of building an integrated business based on premium food products primarily sourced from Tasmania.

Goodwill arose in the acquisitions because the cost of the combinations included a control premium. In addition, the consideration paid for the combinations effectively included amounts in relation to the benefit of revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on the acquisitions is expected to be deductible for tax purposes.

Meander Valley Dairy

The acquisition was completed for cash consideration of \$1.80 million and upon the issue of 1,666,667 ordinary shares in TasFoods Limited to the vendor. Details of the acquisition were as follows: -

	\$'000
Consideration	
Cash consideration	1,800
Issue of 1,666,667 ordinary shares	300
	<u>2,100</u>

Acquisition-related costs amounting to \$20,000 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss for the year ended 31 December 2015.

The net identifiable assets acquired are considered to be preliminary as the Company reports provisional amounts for items which the accounting is incomplete. In accordance with accounting standards, the acquisition accounting will be finalised within twelve months of the acquisition date.

	Preliminary Fair Value \$'000
Assets acquired	
Property plant and equipment	221
Net assets acquired	<u>221</u>
Goodwill	1,879
Purchase consideration	<u>2,100</u>

Nichols Poultry Pty Ltd

The acquisition was completed for cash consideration of \$7.374 million and upon the issue of 8,000,000 ordinary shares in TasFoods Limited, valued at \$2,000,000 to the vendor of Nichols Poultry Pty Ltd. Details of the acquisition were as follows: -

	\$'000
Consideration	
Cash consideration	7,374
Issue of 8,000,000 ordinary shares	2,000
	<u>9,374</u>

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

3. BUSINESS COMBINATION (CONT'D)

Acquisition-related costs amounting to \$88,997 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the current year within Legal and professional fees.

The net identifiable assets acquired are considered to be preliminary. In view of the recent timing of the transaction, the Company is currently finalising the allocation of the purchase price to the acquired assets. In particular, fair values assigned to property plant and equipment and intangible assets are still being assessed and subject to finalisation. In accordance with accounting standards, the acquisition accounting will be finalised within twelve months of the acquisition date.

	Preliminary Fair Value \$'000
<i>Assets acquired</i>	
Property plant and equipment	9,140
Intangible assets	121
Trade and other receivables	1,798
Other current assets	68
Inventory	756
Biological assets	652
Trade and other payables	(2,364)
Borrowings	(4,890)
Provisions	(446)
Net assets acquired	4,835
Goodwill	4,539
Purchase consideration	9,374

Shima Wasabi Pty Ltd

The acquisition was completed for cash consideration of \$2.468 million and upon the issue of 1,200,000 ordinary shares to the vendors of Shima Wasabi Pty Ltd. Details of the acquisition were as follows: -

	\$'000
<i>Consideration</i>	
Cash consideration	2,468
Issue of 1,200,000 ordinary shares	300
	2,768

Acquisition-related costs amounting to \$23,101 have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the current year within Legal and professional fees.

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

3. BUSINESS COMBINATION (CONT'D)

The net identifiable assets acquired are considered to be preliminary. In view of the recent timing of the transaction, the Company is currently finalising the allocation of the purchase price to the acquired assets.

In particular, fair values assigned to property plant and equipment and intangible assets are still being assessed and subject to finalisation. In accordance with accounting standards, the acquisition accounting will be finalised within twelve months of the acquisition date.

	Preliminary Fair Value \$'000
Assets acquired	
Property plant and equipment	442
Trade and other receivables	13
Inventory	6
Biological assets	102
Trade and other payables	(1)
Net tangible assets acquired	562
Goodwill	2,206
Purchase consideration	2,768

4. INTANGIBLE ASSETS

	30 JUNE 2016 \$'000	31 DECEMBER 2015 \$'000
Goodwill	8,624	1,879
Patents and trademarks	8	-
Water rights	113	-
	8,745	1,879

(a) Reconciliations

Carrying amount at beginning	1,879	-
Business combinations during the year	6,866	1,879
Impairment during the period	-	-
Carrying amount at end	8,745	1,879

Recoverable amount of goodwill

The carrying amount of goodwill acquired as part of a business combination is reviewed for impairment at each reporting date. At 30 June 2016, there was no indication of significant events which would result in the goodwill attributable to the relevant business unit being required to be assessed for impairment.

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

5. PROPERTY, PLANT AND EQUIPMENT

	Land & Buildings \$'000	Plant & Equipment \$'000	Office Equipment \$'000	Motor Vehicles \$'000	Capital work in progress \$'000	Total \$'000
At 31 December 2015						
Cost or fair value	-	267	158	-	-	425
Accumulated depreciation	-	(39)	(156)	-	-	(195)
Net Book Value	-	228	2	-	-	230
Additions	166	497	6	45	15	729
Additions as part of a business combination	5,900	2,998	-	-	684	9,582
Disposals	-	-	-	-	-	-
Depreciation expense	(3)	(28)	(1)	-	-	(32)
Balance 30 June 2016	6,063	3,695	7	45	699	10,509

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

6. CONTRIBUTED EQUITY

	NUMBER OF SHARES		SHARE CAPITAL	
	30 JUNE 2016	31 DECEMBER 2015	30 JUNE 2016 \$'000	31 DECEMBER 2015 \$'000
Ordinary shares – fully paid (no par value)	164,107,181	29,898,181	38,628	6,618
Total Share Capital			38,628	6,618

Movements in ordinary share capital:

DATE	DETAILS	ORDINARY SHARES	PRICE \$	\$'000
1/1/2016	Balance at start of period	29,898,181		6,618
19/2/2016	Issue of shares	22,232,000	0.25	5,558
8/3/2016	Issue of shares	1,200,000	0.25	300
15/6/2016	Public offer	101,577,000	0.25	25,394
15/6/2016	Acquisition of Nichols Poultry (i)	8,000,000	0.25	2,000
15/6/2016	Acquisition of Shima Wasabi (ii)	1,200,000	0.25	300
	Issue costs	-	-	(1,542)
30/6/2016	Balance at end of period	164,107,181		38,628

- (i) 8,000,000 ordinary shares were issued at \$0.25 (25 cents) per share as part of the consideration for the acquisition of Nichols Poultry Pty Ltd.
- (ii) 1,200,000 ordinary shares were issued at \$0.25 (25 cents) per share as part of the consideration for the acquisition of Shima Wasabi Pty Ltd.

Terms and Conditions of Issued Capital

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands each holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Options

Share options do not entitle the holder to participate in dividends and the proceeds on winding up of the Company. The holder is not entitled to vote at General Meetings. There were 18,500,000 options on issue during the financial year or as at 30 June 2016 (2015: Nil).

Dividends

No dividend was declared or paid during the half year ended 30 June 2016.

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

	30 JUNE 2016	31 DECEMBER
	\$'000	2015
		\$'000
7. RESERVES		
Foreign currency translation reserve	359	367
Employee share options reserve	217	217
	576	584

(i) Nature and Purpose of Reserves

Foreign Currency Translation Reserve

This reserve is used to record the exchange differences arising on translation of foreign operations where the foreign operations functional currency is different from the Group's presentation currency.

Employee share option reserve

The reserve is used to record the value of equity instruments issued to employees and directors as part of their remuneration, and other parties as part of compensation for their services.

8. DIVIDENDS AND DISTRIBUTIONS

Dividends paid or declared during the half year ended 30 June were:

	30 JUNE	30 JUNE
	2016	2015
	\$	\$
Ordinary shares		
Interim dividend of 9 cents per share, unfranked, paid 20 March 2015	-	15,711,560
Conduit foreign income ("CFI") component		
Interim dividend of 9 cents per share, unfranked, paid 20 March 2015	-	100.00%

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

9. CONTROLLED ENTITIES

NAME OF ENTITY	COUNTRY OF INCORP- ORATION	PRINCIPAL ACTIVITY	EQUITY HOLDINGS	
			30 June 2016 %	31 December 2015 %
ACN 605 347 377 Pty Ltd	Australia	Dairy	100	100
TasFoods (VDL) Pty Ltd	Australia	Investment	100	100
Nichols Poultry Pty Ltd	Australia	Poultry	100	-
Shima Wasabi Pty Ltd	Australia	Wasabi	100	-
MarketSmart International Pty Limited	Australia	Loyalty Solutions	100	100
OnCard Ltd	Hong Kong	Loyalty Solutions	100	100
OnCard (China) HK Ltd	Hong Kong	Investment	100	100
OneRewards Ltd	¹ Hong Kong	Rewards	-	100
Consolidated Payment Services Limited	¹ Hong Kong	Investment	-	100
Payment Services China Limited	Hong Kong	Investment	100	100
OnCard Pte Ltd	Singapore	Loyalty Solutions	100	100

1. Companies de-registered during the half year ended 30 June 2016

10. DISCONTINUED OPERATIONS

(a) Description

On 20 January 2015, the Company announced that the Board, having received and considered the results of the strategic review, had decided to close the Chinese business operations on the basis that the Directors believed: -

- The businesses are likely to require material ongoing investment to make them profitable, and
- The potential returns are uncertain, may not materialise for some time and are unlikely to be material.

On 1 June 2015, the Company entered into contracts to sell the following entities and as such has reported in the financial statements for the Half Year ended 30 June 2016: -

- OnCard Consulting Services Shanghai Ltd;
- Yin Chang Information Technology Shanghai Co., Ltd;
- Shanghai Yifutong Network Technology Co., Ltd;
- Beijing All Payments Company Ltd;

Furthermore, the Company took the decision to cease all remaining operations in Asia, and has undertaken to de-register or liquidate the following entities: -

- OnCard Limited;
- OnCard China (HK) Limited;
- OnCard Rewards Limited
- Consolidated Payment Services Ltd;
- Payment Services China Limited;
- Payment Services China Number 2 Limited;
- OnCard Pte Ltd;

Accordingly, the results of these entities have been disclosed within discontinued operations.

(b) Financial Performance and cash flow information

	2016	2015
	\$'000	\$'000
Revenue	-	90
Expenses	(138)	(1,284)
(Loss)/Profit before income tax	(138)	(1,194)
Income tax expense	-	-
Net (Loss)/Profit after tax for the year from discontinued operations	(138)	(1,194)
(Loss)/Gain on disposal of discontinued operations after income tax (refer c below)	-	(769)
Net (Loss)/Profit for the year	(138)	(1,963)
Basic loss per share (cents per share)	(0.25)	
Diluted loss per share (cents per share)	(0.25)	
Net cash inflow (outflow) from ordinary activities	(40)	(367)
Net cash inflow (outflow) from investing activities	-	-
Net cash inflow (outflow) from financing activities (1)	-	(944)

Note 1: Net cash outflow from financing activities includes cash paid to the purchaser and the cash foregone on the disposal of these operations.

TASFOODS LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2016

10. DISCONTINUED OPERATIONS (CONT'D)

(c) Details of the sale of the discontinued operations

	2016	2015
	\$	\$
Disposal costs and payments to purchaser	-	(445)
	<u>-</u>	<u>(445)</u>
Less: Carrying amount of net asset disposed		
Cash	-	499
Trade receivables	-	1
Other current assets	-	137
Other payables	-	(108)
Outside equity interest	-	(205)
	<u>-</u>	<u>324</u>
Carrying amount of net assets disposed		
	<u>-</u>	<u>324</u>
(Loss) Gain on disposal of discontinued operations	-	(769)

11. EVENTS OCCURRING AFTER REPORTING DATE

Other than the above the Board are not aware of any matter or circumstance not otherwise dealt with in these financial statements that has significantly or may significantly affect the operation of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

12. CONTINGENT LIABILITIES

There are no matters which the Group consider would result in a contingent liability as at the date of this report.

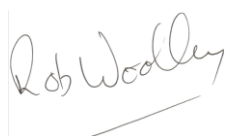
TASFOODS LIMITED
DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other professional mandatory reporting requirements; and
 - ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the half year ended on that date; and
- b) there are reasonable grounds to believe that TasFoods Limited will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.



Rob Woolley
Chairman

29 August 2016
Launceston



Independent auditor's review report to the members of TasFoods Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TasFoods Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for TasFoods Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of TasFoods Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of TasFoods Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Alison Tait' in a cursive, flowing script.

Alison Tait
Partner

Melbourne
29 August 2016

Board of Directors

Rob Woolley (Chairman and Non-Executive Director)
Hugh Robertson (Non-Executive Director)
Roger McBain (Executive Director Finance to 30 June 2016, Non-Executive Director from 1 July 2016)
Antony Robinson (Non-Executive Director)
Jane Bennett (Managing Director and CEO)

Company Secretary

Mark Licciardo

Registered Office

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Principal Place of Business

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Telephone: +61 8 9389 8033
Facsimile: +61 8 9389 7871

Auditor

PricewaterhouseCoopers
Level 7, Building 1, Riverside Quay
1 Southbank Boulevard
Southbank, VICTORIA 3006 AUSTRALIA

Solicitors

Norton Gledhill
Level 23, 459 Collins Street
MELBOURNE VICTORIA 3000 AUSTRALIA

Bankers

Bendigo Bank
Australia and New Zealand Banking Group

Stock Exchange Listing

TasFoods Limited shares are listed on the Australian Securities Exchange, code TFL.