

**KAIZEN GLOBAL INVESTMENTS LIMITED**  
A.C.N 602 033 670

**APPENDIX 3: HALF-YEAR REPORT for**  
**The half-year ended 31 December 2021**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

The results for this half-year report are for the period of 1 July 2021 to 31 December 2021.

	<b>2020</b>	<b>2021</b>	<b>Change</b>
Revenue from ordinary activities	891,029	(76,959)	N/A%
Profit (loss) from ordinary activities before tax	723,193	(571,721)	N/A%
Profit (loss) from ordinary activities after tax	516,287	(517,389)	N/A%
<b>Dividends</b>	<b>Previous period</b>	<b>Current period</b>	<b>Previous corresponding period</b>
Franking rate applicable: n/a	n/a	n/a	n/a
<b>Interim dividend</b>			
Amount per security	n/a	n/a	n/a
Franked amount per security	n/a	n/a	n/a
	<b>31 December 2020</b>	<b>31 December 2021</b>	<b>Previous corresponding period</b>
<b>Net tangible asset backing per share post tax</b>	1.1196\$	1.4306 \$	1.2514\$
<i>This report is based on the half-year financial report which has been subject to independent review by the Company's auditors, Stantons International Audit and Consulting Pty Ltd. Information required by the NSX Listing Rules is included. Information in this report should be read in conjunction with KGI's 30 June 2021 Annual Financial Report.</i>			



**KAIZEN GLOBAL**  
Investments

**Financial Report for the Half-Year  
Ended 31 December 2021**

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## COMPANY DETAILS

**KAIZEN GLOBAL INVESTMENTS LIMITED**  
ACN 602 033 670

**DIRECTORS:**

Jason Connor Grindlay / Connor Grindlay (Managing Director)  
Simon Charles Winfield (Chairman)  
Andre Lloyd Edmunds (Non-executive Director)

**SECRETARY:**

Lisa Grindlay

**FUND MANAGER:**

Kaizen Capital Pty Limited  
ACN: 137 114 160

**REGISTERED OFFICE:**

Suite 115  
377 Kent Street  
SYDNEY NSW 2000

**CONTACT DETAILS:**

Suite 115  
377 Kent Street  
SYDNEY NSW 2000  
Telephone: (02) 7903 0007  
Email: [info@kaizenglobalinvestments.com](mailto:info@kaizenglobalinvestments.com)  
Website: [kaizenglobalinvestments.com](http://kaizenglobalinvestments.com)

**SHARE REGISTRY:**

Boardroom Pty Limited  
Grosvenor Place, Level 12, 225 George Street, SYDNEY, NSW, 2000  
Telephone: 1300 737 760  
Facsimile: 1300 653 459

**AUDITOR:**

Stantons International Audit and Consulting Pty Limited  
Level 36, Gateway 1 Macquarie Place  
Sydney NSW 2000

**FUND ADMINISTRATOR:**

T & D Associates  
No.108/1,  
Rosmead Place, Colombo 7, Sri Lanka  
Phone: 011 4734962  
Fax: 011 2692767  
Email: [colombo@tndsrilanka.com](mailto:colombo@tndsrilanka.com)

# **DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

The Directors present their report on Kaizen Global Investments Limited (**the Company**, or **KGI**) for the financial period ended 31 December 2021. The Company is a public company listed on the National Stock Exchange of Australia (**NSX**). The following report complies with the requirements of the *Corporations Act 2001*.

## **PRINCIPAL ACTIVITIES**

The principal activity of the company is to generate long-term capital appreciation while preserving capital. The Company invests substantially in Global Listed Equities.

## **OPERATIONS**

For the half year ended 31 December 2021, the post-tax NTA per share of the Company increased by 18.12% to \$1.4306, which we believe is conservative.

### **Additional tax charge of 5 cents per share**

During the period, the company sold its private investment for a healthy gain and valuation uplift of over \$0.27 per share (before tax). We intend to re-invest the proceeds into another opportunity and if we are able to do so, within a 2 year period post sale, there will be no taxation on the gain. We have taken written advice from a taxation specialist that supports this view. However, in order to be conservative, since we cannot 'guarantee' that we will make an acquisition within the 2 year period, we have taken a tax charge, of circa 5 cents per share this half, depressing the post-tax, NTA by that amount.

It is the board's view that there are opportunities for an acquisition and confidence that we will be able to make an acquisition within the 2 year window. Should this happen, we will have to immediately write back the tax charge by 5 cents per share resulting in an uplift of circa 5 cents per share. We want to make it clear that taking the tax charge this half is following the letter of the law in terms of conservatism.

The board is of the view that there is a high probability that KGI will make an acquisition and the 5 cent tax charge, therefore, will be reversed at some point. We'd, frankly, rather not write it down in the first place, then report an acquisition and report a tax gain on the news, but we don't make the reporting rules.

Investments are valued continuously to market value. For the half-year ended 31 December 2021, net investments were valued at \$2,779,000.

## **FINANCIAL POSITION**

The net asset value of the Company for the half-year ended 31 December 2021 was \$4,291,733.

## **DIRECTORS**

The names of the Directors at any time during or since the end of the half-year:

Connor Grindlay – Managing Director  
Simon Charles Winfield – Executive Chairman  
Andre Lloyd Edmunds – Non-Executive Director

## **DIVIDENDS**

No dividends or distributions were recommended or declared during the half-year.

## **AUDITORS' INDEPENDENCE DECLARATION**

A copy of the Auditors' independence declaration in accordance with section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'C. Grindlay', with a stylized, flowing script.

C. GRINDLAY

Director

Dated: 07 March 2022



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7 March 2022

Board of Directors  
Kaizen Global Investments Limited  
Suite 409  
350 George Street  
SYDNEY NSW 2000

Dear Sirs

**RE: KAIZEN GLOBAL INVESTMENTS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Kaizen Global Investments Limited.

As Audit Director for the review of the financial statements of Kaizen Global Investments Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
(An Authorised Audit Company)

**Samir Tirodkar**  
Director



# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	December 2021	December 2020
Income from deposits	(35,740)	(34,580)
Income from dividends	(28)	18,141
Net changes to net fair value of investments	(41,192)	907,468
<b>Total income from ordinary activities</b>	<b>(76,959)</b>	<b>891,029</b>
Other income	186,534	-
<b>Total income for the period</b>	<b>109,575</b>	<b>891,029</b>
Administration expenses	334,177	167,836
Other expenses	62,981	-
<b>Operating (loss)/profit before income tax</b>	<b>(287,583)</b>	<b>723,193</b>
Gain on sale of Privately held investment	860,304	-
Profit/(loss) before income tax	572,721	723,193
Income tax (expense)/benefit relating to ordinary activities	(55,332)	(206,906)
<b>Profit attributable to members of the company</b>	<b>517,389</b>	<b>516,287</b>
Other comprehensive income/(loss) for the financial year	-	-
<b>Total comprehensive Income for the financial year</b>	<b>517,389</b>	<b>516,287</b>
<b>Overall operations</b>		
Basic earnings per share (cents per share)	16.8003	16.6783
Basic earnings per share (cents per share)	16.8003	16.6783

The accompanying notes form part of these financial statements.



# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

<b>ASSETS</b>	<b>Note</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents		2,151,120	48,999
Trade and other receivables		56,313	54,963
Financial assets held at fair value through profit and loss	4	3,910,529	5,592,865
<b>Total Current Assets</b>		<b>6,117,962</b>	<b>5,696,827</b>
Deferred tax assets		36,398	84,668
Property, Plant and Equipments		525	1,921
<b>Total non-current assets</b>		<b>36,923</b>	<b>86,589</b>
<b>TOTAL ASSETS</b>		<b>6,154,885</b>	<b>5,783,416</b>
<b>LIABILITIES</b>			
Trade and other payables		358,290	434,423
Financial liabilities held at fair value through profit and loss	4	1,131,528	1,108,810
<b>Total Current Liabilities</b>		<b>1,489,819</b>	<b>1,543,233</b>
Deferred tax liabilities		373,333	366,272
<b>Total Non-Current Liabilities</b>		<b>373,333</b>	<b>366,272</b>
<b>TOTAL LIABILITIES</b>		<b>1,863,152</b>	<b>1,909,505</b>
<b>NET ASSETS</b>		<b>4,291,733</b>	<b>3,873,911</b>
<b>EQUITY</b>			
Issued capital	3	2,930,270	3,029,837
Retained Earnings		1,361,463	844,074
<b>TOTAL EQUITY</b>		<b>4,291,733</b>	<b>3,873,911</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued capital	Retained Earnings	Total
<b>December 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1.07.2021</b>	3,029,837	844,074	3,873,911
Issued (Net of Costs)	-	-	-
Repurchases (Net of Costs)	(99,567)		(99,567)
Profit for the half year		517,389	517,389
<b>Balance at 31.12.2021</b>	<b>2,930,270</b>	<b>1,361,463</b>	<b>4,291,733</b>
<b>December 2020</b>			
<b>Balance at 1.07.2020</b>	3,029,837	(80,369)	2,949,468
Issued (Net of Costs)	-	-	-
Repurchases (Net of Costs)	-	-	-
Profit for the half year		516,287	516,287
<b>Balance at 31.12.2020</b>	<b>3,029,837</b>	<b>435,918</b>	<b>3,465,755</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	December 2021	December 2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received (paid)	(30,474)	(4,715)
Dividends Received	3,785	16,479
Receipts from customers	186,534	-
Payments to suppliers	(260,680)	(38,474)
Net cash (used in) operating activities	<u>(100,835)</u>	<u>(26,710)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases to acquire financial assets	(1,671,525)	(2,826,977)
Sales of Financial Assets	3,091,995	2,517,522
Sale of private investment	1,075,198	-
Net cash provided by/(used in) investing activities	<u>2,495,668</u>	<u>(309,455)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Shares	-	-
Share buyback	(55,620)	(4,515)
Net cash (used in) financing activities	<u>(55,620)</u>	<u>(4,515)</u>
<b>Net increase/(decrease) in cash held</b>	<u><b>2,339,213</b></u>	<u><b>(340,680)</b></u>
Cash at beginning of period	(167,785)	754,062
Effect of Exchange Rate Changes	(20,308)	(30,782)
<b>Cash at end of period</b>	<u><b>2,151,120</b></u>	<u><b>382,600</b></u>

The accompanying notes form part of these financial statements.

# **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

## **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **(a) Basis of Preparation**

The financial Statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Accounting Standards and Interpretations, and other laws that apply. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (IFRS)

All Amounts are presented in Australian dollars unless otherwise noted.

The financial statements of the Company for the half year ended 31 December 2021 were approved by the Directors on 28 February 2022.

The financial Statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Accounting Standards and Interpretations, and other laws that apply.

### **(b) Accounting Policies**

There are no new and revised accounting requirements significantly affecting the half-year financial statements. The accounting policies have been consistently applied by the Company throughout the period and are consistent with those applied in the 30 June 2021 Annual Financial Report.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

### **(c) Details of Reporting Period**

The current reporting period is the half-year ended 31 December 2021.

### **(d) Segment Reporting**

#### **I. Description of segments**

The Board makes the strategic resource allocations for the Company. The Company has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the Company's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis.

#### **II. Segment information provided to the Board**

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards.

### **(e) Adoption of new and amended accounting standards and interpretations**

The company has adopted all new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and effective for the current year. The adoption of all the new and revised Standards and Interpretations has not resulted in any material changes to the Group's accounting policies in order to comply with these amendments. However, the changes in accounting policies have no effect on the amounts reported for the current or prior years.

## NOTE 2: DIVIDENDS

### (a) Dividends paid during the period

No dividend was declared during the period.

### (b) Dividends not recognised during the period

Since the end of the half-year the Directors have not declared any dividends.

## NOTE 3: ISSUED CAPITAL AND OPTIONS

### Shares

Movements in issued capital of the company during the financial period were as follows:

Date	Details	Ordinary Shares No.	Price \$	Issued Capital \$
01.07.21	Balance	3,095,568	-	3,029,837
	Share repurchase	(95,568)	1.0418	(99,567)
<b>31.12.21</b>	<b>Balance</b>	<b>3,000,000</b>	<b>-</b>	<b>2,930,270</b>
01.07.20	Balance	3,095,568	-	3,029,837
	Share repurchase	-	-	-
<b>31.12.20</b>	<b>Balance</b>	<b>3,095,568</b>	<b>-</b>	<b>3,029,837</b>

All ordinary shares rank equally for all purposes of participation in profits or capital of the company.

No Options have been exercised in the financial period.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and does not calculate a par value for issued shares.

#### NOTE 4: FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these accounts as 'listed' are traded in an active market.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

<b>Level 1 -</b>	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
<b>Level 2 -</b>	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
<b>Level 3 -</b>	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2021:

<b>31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial assets	2,732,527	415,662	762,339	3,910,529
Financial liabilities	(1,131,528)			(1,131,528)
<b>Total</b>	<b>1,600,999</b>	<b>415,662</b>	<b>762,339</b>	<b>2,779,000</b>

#### NOTE 5: ACQUISITION AND DISPOSAL OF A PRIVATELY HELD BUSINESS

The financial statements for the half year ending December 31, 2021 have been prepared on a consolidated basis. Kaizen Global Investments Limited (KGI) took control of the privately held business on October 11, 2021 and then sold 100% of its stake before the end of the half year period. A capital gain of \$860,304 has been identified in the Statement of Comprehensive Income.

## DIRECTORS' DECLARATION

The Directors of Kaizen Global Investments Limited declare that:

1. The financial statements and notes, as set out on pages 11 to 13, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and,
  - (b) giving a true and fair view of the financial position of the Company as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the Directors' opinion 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 the Board of Directors.

A handwritten signature in black ink, appearing to read 'C. Grindlay', with a stylized, cursive script.

C. GRINDLAY  
Director

Dated 07 March 2022, Sydney

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
KAIZEN GLOBAL INVESTMENTS LIMITED**

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

**Conclusion**

We have reviewed the half-year financial report of Kaizen Global Investments Limited, which comprises the consolidated statement of financial position as at 31 December 2021, 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, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Kaizen Global Investments Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Kaizen Global Investments Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company 7 March 2022.

**Responsibility of the Directors for the Financial Report**

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





***Auditor's Responsibility for the Review of the Financial Report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2021 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*.

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.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(An Authorised Audit Company)**

**Samir Tirodkar**  
Director

West Perth, Western Australia  
7 March 2022