

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	90.0% to	6,662
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	47.9% to	(538,331)
Loss for the half-year attributable to the owners of A1 Investments & Resources Ltd	down	47.9% to	(538,331)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$538,331 (31 December 2020: \$1,033,342).

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	<u>(0.00875)</u>	<u>(0.00350)</u>

Right-of-use assets have been excluded from net tangible assets.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Tidal Moon Australia Pty Limited	-	49.00%	-	-
<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			-	-

On 23 June 2021, Tidal Moon Australia Pty Ltd was dissolved and deregistered.

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 interim financial statements were subject to a review by the auditors and the review report, which contains an Emphasis of Matter paragraph relating to going concern, is attached thereto.

11. Attachments

Details of attachments (if any):

The Interim Report of A1 Investments & Resources Ltd for the half-year ended 31 December 2021 is attached.

12. Signed

Signed 
 Charlie Nakamura
 Director

25 February 2022
 Tokyo

A1 Investments & Resources Ltd and its controlled entities

ABN 44 109 330 949

Interim Report - 31 December 2021

For personal use only

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of A1 Investments & Resources Ltd (referred to hereafter as the 'A1', 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

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
Akira Sunaga

Principal activities

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

The consolidated entity will continue to focus on the food and farming sectors in Australia in the next financial year, and the processing of raw sea cucumber in Japan sourced from anywhere in the world to produce consumer products for sale in Japan, China and Taiwan.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$538,331 (31 December 2020: \$1,033,342).

There have been no significant changes to the Company's operations since the annual general meeting of the Company on 29 November 2021 and the shareholders and investors are directed to the Chairman's address released to the Exchange on the date of the meeting.

The Company does not need to remind its shareholders of the hardships of 2021. The coronavirus has had a significant impact on the consolidated entity's operations over the past 12 months and this continues to be the position. The continuation of a closed border with Western Australia ('WA') has made the management of the Western Australian operations of the consolidated entity difficult.

The consolidated entity does not expect any substantial change to these issues over the coming months, indeed the consolidated entity is concerned that the omicron variant of the coronavirus will cause further significant disruption to business for the whole of 2022.

Sea Cucumber Project

The travel bans to Western Australia and Queensland and the lockdowns of State borders particularly between New South Wales ('NSW'), WA and Queensland have continued to significantly restrict our ability to manage our businesses in WA and establish new supply lines from Queensland.

The dispute with our dedicated contractor at Shark Bay remains unresolved.

The consolidated entity continues to pursue other supply possibilities in WA and Queensland. The consolidated entity is now focused upon suppliers in Peru.

In the quarter to 31 December 2021 the consolidated entity has manufactured supplements in Japan from Peruvian sea cucumber. The products manufactured in Japan are destined for sales in Japan, the People's Republic of China ('PRC') and other parts of Asia. The consolidated entity has sold some wholesale product and generated sales in Japan.

Operations in Japan in the quarter continued to be hindered by COVID outbreaks in Tokyo and Yokohama.

Blue Ocean Japan ('BOJ')

The Company's Managing Director, Mr Nakamura returned from Japan in late December 2021 after being directly involved as the manager of all BOJ operations.

BOJ has been focused on securing its intellectual property surrounding its finished product, completing its marketing plan and commencing a social media campaign to support the sales of its products.

Blue Ocean Health

The consolidated entity has imported Peruvian sea cucumber powder to Australia to prepare a new range of powdered sea cucumber products for marketing and sale in southern Asia and South Korea. Consideration is also being given to the marketing of the product in Australia, but TGA approval or consent will be required. The consolidated entity is proposing a fast track approval of the products in Australia and to achieve this all product to be sold and marketed in Australia will contain no representations as to the products possible therapeutic benefits.

Sandalwood Project

Test marketing to customers continued through the last quarter of 2021. The consolidated entity is undertaking this business under the name AONE Essential Oils.

The consolidated entity is continuing to pursue the direct acquisition of sandalwood timber from WA suppliers but to date has not secured such product. The consolidated entity is undertaking a full review of this business in the first half of 2022 to ensure the viability of the business before committing any substantial capital to this business.

General

The consolidated entity does not need to remind its shareholders of the hardships of 2021. The coronavirus has had a significant impact on the consolidated entity's operations over the 6 months to 31 December 2021 and this continues to be the position to the date of this report.

The consolidated entity does not expect any substantial change to these issues over the following months in 2022, although the reduction in restrictions in NSW in October 2021 allows positive planning for the calendar year 2022. However the extension of restrictions in WA has made the consolidated entity plan no operations in WA until the third quarter 2022.

The consolidated entity is optimistic that sales leads for its products throughout Asia can be fully explored and finalised throughout 2022 as international travel restrictions are lifted or at least eased. The consolidated entity also expects supply issues of sea cucumber from both Peru and Australia to Japan to improve substantially throughout 2022, as will the shipment of finished product. However, despite some encouraging numbers for omicron and its lesser seriousness in eastern Australia, international borders in recent weeks have seen further restrictions rather than a lessening of restrictions. The Australian government has not assisted with multilateral recognition of Australian vaccine certificates making international travel just as difficult in 2022 and it was in 2021.

The consolidated entity is confident of improved sales in 2022 and beyond.

Corporate

The Company is pursuing further capital raising opportunities primarily in Japan. As further developments occur the Company will advise the shareholders and the market.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the consolidated entity, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the consolidated entity's operations going forward. The consolidated entity now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

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 3.

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

25 February 2022
Tokyo

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

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of A1 Investments & Resources Ltd. As the lead audit partner for the review of the financial report of A1 Investments & Resources Ltd 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.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



GRAHAM WEBB
Partner
Dated: 25 February 2022

A Member of PrimeGlobal
An Association of Independent
Accounting Firms

 **PrimeGlobal**

A1 Investments & Resources Ltd and its controlled entities
Contents
31 December 2021



Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Directors' declaration	18
Independent auditor's review report to the members of A1 Investments & Resources Ltd	19

For personal use only

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 2021



	Note	Consolidated	
		6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Revenue	4	6,481	64,973
Other income	5	34,529	139,821
Interest revenue calculated using the effective interest method		181	1,915
Expenses			
Raw materials and consumables used		(3,895)	(52,849)
Employee benefits expense		(136,620)	(185,017)
Occupancy expenses		(17,201)	(4,462)
Depreciation expense		(27,640)	(22,208)
Impairment of property, plant and equipment		(25,982)	-
Consultancy and professional fees		(173,147)	(155,622)
Foreign exchange losses		(6,907)	(3,952)
Travel expenses		(18,501)	(21,216)
Share registry expenses		(53,304)	(45,846)
Write off of receivables		-	(149,652)
Expected credit losses		-	(10,788)
Impairment of inventories		(26,757)	-
Write off of inventories		(20,797)	-
Impairment of advance payments		-	(520,034)
Other expenses		(41,262)	(32,653)
Finance costs	6	(27,509)	(35,752)
Loss before income tax expense		(538,331)	(1,033,342)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of A1 Investments & Resources Ltd		(538,331)	(1,033,342)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,346	(2,553)
Other comprehensive income for the half-year, net of tax		2,346	(2,553)
Total comprehensive income for the half-year attributable to the owners of A1 Investments & Resources Ltd		<u>(535,985)</u>	<u>(1,035,895)</u>
		Cents	Cents
Basic earnings per share	22	(0.0033)	(0.0067)
Diluted earnings per share	22	(0.0033)	(0.0067)

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 2021



	Note	Consolidated	
		31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		561,026	1,286,614
Trade and other receivables	7	34,147	10,594
Inventories	8	397,586	112,333
Other	9	56,918	100,378
		<u>1,049,677</u>	<u>1,509,919</u>
Non-current assets classified as held for sale	10	25,983	-
Total current assets		<u>1,075,660</u>	<u>1,509,919</u>
Non-current assets			
Property, plant and equipment	11	64,154	107,624
Right-of-use assets	12	22,714	39,749
Total non-current assets		<u>86,868</u>	<u>147,373</u>
Total assets		<u>1,162,528</u>	<u>1,657,292</u>
Liabilities			
Current liabilities			
Trade and other payables	13	115,414	100,058
Borrowings	14	42,260	12,794
Lease liabilities		24,593	39,270
Total current liabilities		<u>182,267</u>	<u>152,122</u>
Non-current liabilities			
Payables	15	343,400	332,150
Borrowings	16	2,016,957	2,015,711
Lease liabilities		-	3,128
Employee benefits		34,225	32,517
Total non-current liabilities		<u>2,394,582</u>	<u>2,383,506</u>
Total liabilities		<u>2,576,849</u>	<u>2,535,628</u>
Net liabilities		<u>(1,414,321)</u>	<u>(878,336)</u>
Equity			
Issued capital	17	36,207,230	36,207,230
Reserves		(3,119)	(5,465)
Accumulated losses		(37,618,432)	(37,080,101)
Total deficiency in equity		<u>(1,414,321)</u>	<u>(878,336)</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 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2020	35,894,730	817,252	(36,394,702)	317,280
Loss after income tax expense for the half-year	-	-	(1,033,342)	(1,033,342)
Other comprehensive income for the half-year, net of tax	-	(2,553)	-	(2,553)
Total comprehensive income for the half-year	-	(2,553)	(1,033,342)	(1,035,895)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	212,500	-	-	212,500
Balance at 31 December 2020	36,107,230	814,699	(37,428,044)	(506,115)
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2021	36,207,230	(5,465)	(37,080,101)	(878,336)
Loss after income tax expense for the half-year	-	-	(538,331)	(538,331)
Other comprehensive income for the half-year, net of tax	-	2,346	-	2,346
Total comprehensive income for the half-year	-	2,346	(538,331)	(535,985)
Balance at 31 December 2021	36,207,230	(3,119)	(37,618,432)	(1,414,321)

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 2021.



	Consolidated	
	6 months to 31 Dec 2021	6 months to 31 Dec 2020
	\$	\$
Cash flows from operating activities		
Receipts from customers	6,437	71,079
Payments to suppliers and employees	(729,141)	(600,197)
	(722,704)	(529,118)
Interest received	181	1,915
Interest and other finance costs paid	(27,509)	(27,424)
Government grants received	34,500	82,158
Net cash used in operating activities	(715,532)	(472,469)
Cash flows from investing activities		
Payments for property, plant and equipment	(19,100)	(13,903)
Net cash used in investing activities	(19,100)	(13,903)
Cash flows from financing activities		
Proceeds from issue of shares	-	200,000
Proceeds from borrowings	26,529	-
Repayment of lease liabilities	(17,805)	(16,579)
Repayment of borrowings	(817)	-
Net cash from financing activities	7,907	183,421
Net decrease in cash and cash equivalents	(726,725)	(302,951)
Cash and cash equivalents at the beginning of the financial half-year	1,286,614	2,234,632
Effects of exchange rate changes on cash and cash equivalents	1,137	(4,024)
Cash and cash equivalents at the end of the financial half-year	<u>561,026</u>	<u>1,927,657</u>

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2022. 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 2021 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 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements for the period 1 July 2021 to 31 December 2021 have been prepared on a going concern basis.

The consolidated entity has positive working capital as at 31 December 2021 where current assets exceed current liabilities by \$893,393 (30 June 2021: \$1,357,797). The consolidated entity made a loss after tax of \$538,331 (2020: \$1,033,342) during the period, generated net operating cash outflows of \$715,532 (2020: cash outflows of \$472,469) and as at 31 December 2021 has a deficiency of net assets of \$1,414,321 (30 June 2021: deficiency of \$878,336). The cash balance as at 31 December 2021 was \$561,026 (30 June 2021: \$1,286,614).

The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The directors recognise that strict cash control remains essential to ensure that the Company is able to continue to meet its debts as and when they fall due. The directors also recognise the on-going cash requirements of the consolidated entity including the need to further fund the sea cucumber project in Japan and Australia, including meeting the cost of raw materials from Peru. The consolidated entity has used the funds provided by WIN Properties Australia Pty Limited ('WIN Prop') to fund the cash shortfall in the past 18 months and will continue to use part of the balance of these funds for the balance of 2022.

The consolidated entity anticipates that the sea cucumber project will be cash flow positive by the end of the fourth quarter of the financial year. This projection takes into consideration the problems with COVID19. The Board is continuing to seek placement moneys to supplement the consolidated entity's working capital. The Board is also examining the feasibility for further equity raising in the calendar year 2022. The consolidated entity anticipates meeting all obligations of the WIN Prop loan during 2022, and is examining all options available to it to re-finance the loan, or roll over the loan either wholly or partially, including raising equity on or about the maturity date.

The directors are of the joint opinion that the current cash balance and cash generated from the consolidated entity's operations will provide sufficient working capital for the Company for the next 12 months.

The Company is discussing raising funds from new investors in Japan but no firm commitments have yet to be forthcoming.

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

The financial statements have been prepared on the going concern basis for the above reasons. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments:

- General investment; and
- Food products and supplements.

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 although the food segment comprises all food production businesses including retail, wholesale and primary industry production of food.

The CODM reviews EBITDA (earnings before interest, tax, depreciation, amortisation and other items which are determined to be outside of the control of the respective segments). EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

Types of products and services

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

- | | |
|-------------------------------|---|
| General investment | investment operations focusing on diversified investment portfolios |
| Food products and supplements | the sale of dried seafood products and supplements |

Major customers

No single customer contributed 10% or more to the Group's external revenue during the half years ended 31 December 2021 and 31 December 2020.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 6 months to 31 Dec 2021	General investment \$	Food products and supplements \$	Total \$
Revenue			
Sales to external customers	-	6,481	6,481
Intersegment sales	128,721	-	128,721
Total sales revenue	<u>128,721</u>	<u>6,481</u>	<u>135,202</u>
Interest	181	-	181
Total segment revenue	<u>128,902</u>	<u>6,481</u>	<u>135,383</u>
Intersegment eliminations			<u>(128,721)</u>
Total revenue			<u>6,662</u>
EBITDA	(314,376)	(143,005)	(457,381)
Depreciation and amortisation	(24,672)	(2,968)	(27,640)
Impairment of property, plant and equipment	-	(25,982)	(25,982)
Interest revenue	181	-	181
Finance costs	(27,509)	-	(27,509)
Loss before income tax expense	<u>(366,376)</u>	<u>(171,955)</u>	<u>(538,331)</u>
Income tax expense			-
Loss after income tax expense			<u>(538,331)</u>
Assets			
Segment assets	1,615,472	553,087	2,168,559
Intersegment eliminations			<u>(1,006,031)</u>
Total assets			<u>1,162,528</u>
Liabilities			
Segment liabilities	3,112,774	470,106	3,582,880
Intersegment eliminations			<u>(1,006,031)</u>
Total liabilities			<u>2,576,849</u>

Note 3. Operating segments (continued)

	General investment \$	Food products and supplements \$	Total \$
Consolidated - 6 months to 31 Dec 2020			
Revenue			
Sales to external customers	-	64,973	64,973
Interest	1,915	-	1,915
Total revenue	1,915	64,973	66,888
EBITDA			
Depreciation and amortisation	(1,039,907)	62,610	(977,297)
Interest revenue	(22,208)	-	(22,208)
Finance costs	1,915	-	1,915
	(35,412)	(340)	(35,752)
Profit/(loss) before income tax expense	(1,095,612)	62,270	(1,033,342)
Income tax expense			-
Loss after income tax expense			(1,033,342)
Consolidated - 30 Jun 2021			
Assets			
Segment assets	2,210,581	297,319	2,507,900
Intersegment eliminations			(850,608)
Total assets			1,657,292
Liabilities			
Segment liabilities	2,530,116	856,120	3,386,236
Intersegment eliminations			(850,608)
Total liabilities			2,535,628

Note 4. Revenue

	Consolidated	
	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Sale of goods - dried seafood and supplements and fresh food	6,481	64,973

Disaggregation of revenue

During the half-years ended 31 December 2021 and 31 December 2020, all revenue from contracts with customers is generated from one major product line, being the sale of dried seafood products and supplements. All revenue generated in Japan and is recognised based on goods transferred at a point in time.

Note 5. Other income

	Consolidated	
	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Government grants	34,500	82,158
Reversal of impairment expense on previously impaired inventories	-	57,663
Other	29	-
Other income	34,529	139,821

Note 6. Expenses

	Consolidated	
	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	26,458	33,668
Interest and finance charges paid/payable on lease liabilities	1,051	2,084
Finance costs expensed	<u>27,509</u>	<u>35,752</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Trade receivables	73	-
Receivables from Tidal Moon Pty Ltd	10,788	10,788
Less: Allowance for expected credit losses	(10,788)	(10,788)
Other receivables	19,042	10,594
GST receivable	15,032	-
	<u>34,147</u>	<u>10,594</u>

Note 8. Current assets - inventories

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Raw materials - at cost	2,254	7,770
Stock on hand - at cost	422,089	104,563
Less: Provision for impairment	(26,757)	-
	<u>395,332</u>	<u>104,563</u>
	<u>397,586</u>	<u>112,333</u>

Note 9. Current assets - other

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Prepayments	4,550	1,117
Deposits paid	52,368	99,261
	<u>56,918</u>	<u>100,378</u>

Note 10. Current assets - non-current assets classified as held for sale

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Plant and equipment	25,983	-

Non-current assets held for sale represents an item of plant and equipment which the consolidated entity is actively seeking to sell. It is expected that the carrying value of the plant and equipment at 31 December 2021 will be recovered in full.

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

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Plant and equipment - at cost	62,512	46,285
Less: Accumulated depreciation	(22,296)	(16,263)
	<u>40,216</u>	<u>30,022</u>
Motor vehicles - at cost	27,045	27,045
Less: Accumulated depreciation	(3,107)	(1,408)
	<u>23,938</u>	<u>25,637</u>
Capital works in progress - at cost	-	51,965
	<u>64,154</u>	<u>107,624</u>

Capital works in progress

During the financial half-year ended 31 December 2021, capital works in progress, representing plant and equipment acquired by the consolidated entity, was impaired by \$25,982. As at 31 December 2021, the asset, which had a carrying value of \$25,983, is being held for sale and is classified as a current asset (refer to note 10).

Note 12. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Land and buildings - right-of-use	102,209	102,209
Less: Accumulated depreciation	(79,495)	(62,460)
	<u>22,714</u>	<u>39,749</u>

Note 13. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Trade payables	55,918	26,069
Other payables and accruals	59,496	73,989
	<u>115,414</u>	<u>100,058</u>

Note 14. Current liabilities - borrowings

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Loans from Director related entities	36,529	5,000
Motor vehicle loan	5,731	7,794
	<u>42,260</u>	<u>12,794</u>

Loans from Director related entity

The loan from Director related entity is payable within 12 months, is interest free and is unsecured.

Motor vehicle loan

The motor vehicle loan has a term of 5 years and is secured over the consolidated entity's motor vehicle. Interest is charged at 3.89% per annum. The principal and interest are repaid in month instalments.

Note 15. Non-current liabilities - payables

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Accrued expenses	343,400	332,150

Note 16. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Loan from WIN Properties Australia Pty Limited	2,000,000	2,000,000
Motor vehicle loan	16,957	15,711
	<u>2,016,957</u>	<u>2,015,711</u>

Loan from WIN Properties Australia Pty Limited

The loan from WIN Properties Australia Pty Limited, incurs interest at 5% per annum, payable six monthly in advance or if paid on time, the interest rate reduces to 2.5% per annum. The loan is secured over all the assets of the consolidated entity which are located in Australia. The loan is repayable on 11 March 2023.

Total secured liabilities

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

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Loan from WIN Properties Australia Pty Limited	2,000,000	2,000,000
Motor vehicle loan	22,688	23,505
	<u>2,022,688</u>	<u>2,023,505</u>

Assets pledged as security

The loan from WIN Properties Australia Pty Limited is secured over all the assets of the consolidated entity which are located in Australia.

The motor vehicle loan is secured over the motor vehicle to which the loan relates.

Note 17. Equity - issued capital

	Consolidated			
	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares - fully paid	16,421,946,420	16,421,946,420	36,207,230	36,207,230

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 18. Equity - dividends

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

Note 19. Fair value measurement

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

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

Note 20. Contingent liabilities

As at 31 December 2021, the consolidated entity has provided financial guarantees of \$114,000 (30 June 2021: \$114,000).

Note 21. Related party transactions

Parent entity

A1 Investments & Resources Ltd is the parent entity.

Significant transactions with related parties

There were no transactions with related parties during the financial half-year.

Loans to/from related parties

For significant related party transactions that occurred during the half-year ended 31 December 2021, the following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 Dec 2021 \$	30 Jun 2021 \$
Current borrowings:		
Loan from Director related entities	36,529	5,000
Non-current borrowings:		
Loan from Director related entity	2,000,000	2,000,000

Note 22. Earnings per share

	Consolidated	
	6 months to 31 Dec 2021 \$	6 months to 31 Dec 2020 \$
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(538,331)</u>	<u>(1,033,342)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>16,421,946,420</u>	<u>15,310,354,806</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>16,421,946,420</u>	<u>15,310,354,806</u>
	Cents	Cents
Basic earnings per share	(0.0033)	(0.0067)
Diluted earnings per share	(0.0033)	(0.0067)

Note 23. Events after the reporting period

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the consolidated entity, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the consolidated entity's operations going forward. The consolidated entity now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 December 2021 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.

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 2021 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

25 February 2022
Tokyo

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

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

SYDNEY

Level 40
 2 Park Street
 Sydney NSW 2000
 Australia
 Ph: (612) 9263 2600
 Fx: (612) 9263 2800

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of A1 Investments & Resources 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of significant accounting policies, 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 half-year financial report of A1 Investments & Resources Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of A1 Investments & Resources Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (ii) 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 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*, which has been given to the directors of A1 Investments & Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss after tax of \$538,331 for the half year ended 31 December 2021 and as of that date, the Group's total liabilities exceeded its total assets by \$1,414,321. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of A1 Investments & Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such 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

A Member of PrimeGlobal
 An Association of Independent
 Accounting Firms



For personal use only

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

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

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.

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB

Partner

Dated: 25 February 2022

For personal use only