

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	48.2% to	9,873
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	42.2% to	(311,226)
Loss for the half-year attributable to the owners of A1 Investments & Resources Ltd	down	42.2% to	(311,226)

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 \$311,226 (31 December 2021: loss of \$538,331).

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>(0.00118)</u>	<u>(0.00875)</u>

Right-of-use assets and lease liabilities have been excluded from net tangible assets. The number of shares on issue at period end was 18,421,946,420 (31 December 2021: 16,421,946,420).

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

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report contains a paragraph that draws attention to the use of the going concern basis for the preparation of the financial statements.


11. Attachments

Details of attachments (if any):

The Interim Report of A1 Investments & Resources Ltd for the half-year ended 31 December 2022 is attached.

12. Signed

As authorised by the Board of Directors

Signed 
Charlie Nakamura
Director

24 February 2023
Sydney

A1 Investments & Resources Ltd and its controlled entities

ABN 44 109 330 949

Interim Report - 31 December 2022

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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 2022.

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 has placed its sea cucumber production on hold in Japan, and will focus on general investments in the next financial year.

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 \$311,226 (31 December 2021: loss of \$538,331).

Debt Reduction

The consolidated entity focused upon a strategy of improving the balance sheet of the group as at 31 December 2022 during the 6 months to 31 December 2022. The consolidated entity recognised the need to improve the balance sheet in order to permit the consolidated entity to examine Australian based investments and raising capital to support such possible investments. This strategy was designed to de-risk the investment base of the consolidated entity.

There have been no significant changes to the consolidated entity's operations since the annual general meeting of the consolidated entity on 10 November 2022 except the successful discharge of the consolidated entity's secured loan, whereby the lender accepted ordinary shares in the consolidated entity to fully discharge the debt.

Accrued outstanding salaries of \$448,000 have been fully reversed with the consent of the employee directors who not pursue the accruals. This was undertaken to improve the balance sheet as at 31 December 2022.

Further loans of \$421,097 from shareholders have also been discharged in January 2023 (subsequent to the reporting period) by converting such debt to equity (see note 13).

The above debt reduction has substantially improved the balance sheet of the consolidated entity as at 31 December 2022, and has led to further discussions and negotiations with Shopa Group Pty Limited (refer to the 'Investment in Shopa Group' section in the review of operations). The improved balance sheet has permitted these negotiations to continue.

The consolidated entity does not need to remind its shareholders of the hardships of 2020, 2021 and 2022. The coronavirus has had a significant impact on the consolidated entity's operations over the past 2 years and this continues to be the position to 31 December 2022.

Blue Ocean Japan ('BOJ')

The consolidated entity notes that its wholly owned subsidiary in Japan, Blue Ocean Japan ('BOJ') traded throughout the year under the supervision of the consolidated entity's Managing Director, Mr Nakamura who travelled to and from to Japan to manage the operations in Japan. The consolidated entity has determined to wind back all its sea cucumber business in Japan.

The consolidated entity therefore placed all of its sea cucumber production on hold in December 2022 as COVID continued to restrict any development of the business in China and Japan remained affected.

Throughout the year to 31 December 2022, the consolidated entity has continued small sales of finished product manufactured in Japan from Peruvian sea cucumber and has negotiated sales of wholesale sea cucumber to other buyers for commission.

The consolidated entity has written-off the unprocessed sea cucumber. This was undertaken to fully reflect the value of the stock of BOJ, and the likelihood that the unprocessed sea cucumber was either damaged or its reasonable shelf life was due to expire. Commensurate with the consolidated entity's decision to hold further production of sea cucumber products, two deposits one for further Peruvian sea cucumber and one for a production project have been fully written-off.

The consolidated entity does not expect any return to usual trading arrangements this financial year.

Blue Ocean Health ('BOH')

Problems associated with COVID in both Australia, Peru and South Korea resulted in the operations of BOH being suspended during the last quarter of FY2022 and no activities took place in the reporting period. A review of the operations has determined that no further return to this business is feasible in the short or medium term.

Sandalwood Project

No further sales took place, and the consolidated entity has determined not to carry on this business in the future.

The remaining stock of sandalwood oil has been fully written-off as the likelihood of its sale in the short or medium term is small.

Bundybunna

Despite the significant efforts of the consolidated entity to assist the termination of the winding up of Bundybunna Aboriginal Corporation Limited ('BbAC') the finalisation of the winding up did not take place until after 31 December 2022, when BbAC finally completed the conditions imposed on it by the WA Supreme Court. Subsequent efforts to obtain the promised lease from BbAC have not been successful. The consolidated entity is of the opinion there is nothing further to pursue this year.

New Funding

The consolidated entity anticipates undertaking a rights issue to all shareholders in the period to 30 June 2023, subject to the shareholders approving a share re-structure, the final terms of which are yet to be determined. The consolidated entity is confident of securing an underwriting agreement for such rights issue.

Investment in Shopa Group

The consolidated entity is continuing to undertake a due diligence examination of the Shopa Group Pty Limited ('Shopa Group') with a view to making a substantial investment by way of equity and/or convertible notes into such company.

The consolidated entity is of the opinion that Shopa Group represents a significant reduction in risk as compared to the continuation of the sea cucumber investment. Shopa Group's business is solely in Australia and New Zealand. It has a significant revenue that is currently the subject of a full audit review. Its administrative and sales operations take place in Australia and India where Shopa Group operates a wholly owned subsidiary that is a very cost effective call centre operation managed and controlled from Australia. Shopa Group's primary business could be considered fully developed or mature, but it has commenced to convert its significant customer base to digital marketing and early results are very encouraging. Shopa Group has operated its own internal cash back product for some time and its expertise has been recognised by Mastercard which has just signed a new 5 year exclusive agreement with Shopa Group to develop Mastercard's latest marketing project in Australia. This further business represents a significant investment opportunity to the consolidated entity to invest in Shopa Group at the outset of this new business opportunity.

The consolidated entity has assessed an investment in Shopa Group as medium risk. Shopa Group has an operating structure that requires little expansion to undertake the Mastercard business whilst continuing to service its existing customer base. Shopa Group has suffered a reduction in overall revenue during the past two years as a direct result of the effect COVID has had on its customers' businesses. All operating businesses have a risk that the pandemic will continue to impact their business, but the impact in Australia and New Zealand has been managed relatively successfully to an extent that on the balance of probabilities the company does not expect to return to the poor trading conditions of the past two years. This does not mean the consolidated entity disregards the future risk of COVID, it does not. The consolidated entity encourages all its staff to be fully vaccinated, and will be seeking a similar commitment from Shopa Group should the proposed investment take place.

The consolidated entity proposes raising sufficient funds by way of a rights issue to all shareholders in order to make the investment into Shopa Group. The consolidated entity is confident of securing an underwriting agreement for such rights issue.

The consolidated entity notes that any fund raising in order to invest in Shopa Group is dependent on a share re-structure of the consolidated entity to be approved by shareholders in advance of any rights issue.

Immediate Future

The consolidated entity is examining other opportunities that are less dependent on a worldwide production and sales scheme that is vulnerable to separate problems of supply and demand in various countries.

The Company will remain a general investment company. The proposed investment in Shopa Group is the first of the Company's new investments.

The consolidated entity will keep shareholders and investors apprised of all future developments and new projects. The consolidated entity is confident of securing shareholder approval, completing the due diligence examination of Shopa Group and raising the necessary capital before 30 June 2023.

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

On 2 February 2023, the Company issued 2,105,486,605 shares to partially discharge \$421,097 of the converting loan notes payable.

The consolidated entity has signed a Terms Sheet to invest up to \$3.1 million in Shopa Group. The investment is subject to many matters including a consolidation of the Company's shares, the satisfactory completion of a due diligence examination of the Shopa Group, the consolidated entity raising the required capital to make the proposed investment and the ASX confirming that the transaction and investment does not breach the Listing Rules or requires the consolidated entity to re-comply for listing. Although the consolidated entity reasonably expects the investment as disclosed to be completed, there remain many outstanding items before final confirmation can take place.

The consolidated entity notes that should the investment into Shopa Group take place as disclosed this will affect the operations of the consolidated entity, including de-risking the operations as compared to those being undertaken in the reporting period, and in the opinion of the consolidated entity will improve the state of affairs of the consolidated entity in future years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Charlie Nakamura
Director

24 February 2023
Sydney

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
Ex: (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 2022, 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)

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

S. Kumar

Sandeep Kumar
Partner
Dated: 24 February 2023

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A1 Investments & Resources Ltd and its controlled entities

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31 December 2022



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A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



	Note	Consolidated	
		6 months to 31	6 months to 31
		Dec 2022	Dec 2021
		\$	\$
Revenue	4	9,833	6,481
Other income	5	516,909	34,529
Interest revenue calculated using the effective interest method		40	181
Expenses			
Raw materials and consumables used		(5,809)	(3,895)
Employee benefits expense		(166,345)	(136,620)
Occupancy expenses		(3,814)	(17,201)
Depreciation expense		(12,885)	(27,640)
Consultancy and professional fees		(129,853)	(173,147)
Foreign exchange losses		-	(6,907)
Travel expenses		(31,199)	(18,501)
Share registry expenses		(49,628)	(53,304)
Impairment of inventories		-	(26,757)
Write-off of inventories	8	(307,820)	(20,797)
Impairment of advance payments	9	(48,291)	-
Write-off of prepayments		(2,470)	-
Impairment of property, plant and equipment		-	(25,982)
Loss on disposal of plant and equipment		(290)	-
Other expenses		(49,166)	(41,262)
Finance costs	6	(30,438)	(27,509)
Loss before income tax expense		(311,226)	(538,331)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of A1 Investments & Resources Ltd		(311,226)	(538,331)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(19,089)	2,346
Other comprehensive income for the half-year, net of tax		(19,089)	2,346
Total comprehensive income for the half-year attributable to the owners of A1 Investments & Resources Ltd		<u>(330,315)</u>	<u>(535,985)</u>
		Cents	Cents
Basic earnings per share	21	(0.0019)	(0.0033)
Diluted earnings per share	21	(0.0019)	(0.0033)

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 2022



	Note	Consolidated	
		31 Dec 2022 \$	30 Jun 2022 \$
Assets			
Current assets			
Cash and cash equivalents		442,948	788,990
Trade and other receivables	7	2,094	21,060
Inventories	8	17,684	326,452
Other assets	9	4,228	56,408
Total current assets		<u>466,954</u>	<u>1,192,910</u>
Non-current assets			
Property, plant and equipment	10	6,338	29,262
Right-of-use assets	11	-	5,681
Intangibles		18,138	21,029
Total non-current assets		<u>24,476</u>	<u>55,972</u>
Total assets		<u>491,430</u>	<u>1,248,882</u>
Liabilities			
Current liabilities			
Trade and other payables	12	104,550	105,377
Borrowings	13	542,595	564,492
Lease liabilities		-	6,241
Employee benefits		27,532	22,888
Total current liabilities		<u>674,677</u>	<u>698,998</u>
Non-current liabilities			
Payables	14	-	410,900
Borrowings	15	-	2,000,000
Employee benefits		15,266	7,182
Total non-current liabilities		<u>15,266</u>	<u>2,418,082</u>
Total liabilities		<u>689,943</u>	<u>3,117,080</u>
Net liabilities		<u>(198,513)</u>	<u>(1,868,198)</u>
Equity			
Issued capital	16	38,207,230	36,207,230
Reserves		(10,494)	8,595
Accumulated losses		(38,395,249)	(38,084,023)
Total deficiency in equity		<u>(198,513)</u>	<u>(1,868,198)</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 2022

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	<u>36,207,230</u>	<u>(3,119)</u>	<u>(37,618,432)</u>	<u>(1,414,321)</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2022	36,207,230	8,595	(38,084,023)	(1,868,198)
Loss after income tax expense for the half-year	-	-	(311,226)	(311,226)
Other comprehensive income for the half-year, net of tax	-	(19,089)	-	(19,089)
Total comprehensive income for the half-year	-	(19,089)	(311,226)	(330,315)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 16)	2,000,000	-	-	2,000,000
Balance at 31 December 2022	<u>38,207,230</u>	<u>(10,494)</u>	<u>(38,395,249)</u>	<u>(198,513)</u>

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

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of cash flows
For the half-year ended 31 December 2022



	Consolidated	
	6 months to 31 Dec 2022	6 months to 31 Dec 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	45,455	6,437
Payments to suppliers and employees	(401,103)	(729,141)
	(355,648)	(722,704)
Interest received	40	181
Other revenue	37,086	-
Interest and other finance costs paid	(25,112)	(27,509)
Government grants received	-	34,500
Net cash used in operating activities	(343,634)	(715,532)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(19,100)
Net cash used in investing activities	-	(19,100)
Cash flows from financing activities		
Proceeds from repayment of loans	10,644	-
Proceeds from borrowings	-	26,529
Repayment of lease liabilities	(6,241)	(17,805)
Repayment of borrowings	-	(817)
Net cash from financing activities	4,403	7,907
Net decrease in cash and cash equivalents	(339,231)	(726,725)
Cash and cash equivalents at the beginning of the financial half-year	786,944	1,286,614
Effects of exchange rate changes on cash and cash equivalents	(4,765)	1,137
Cash and cash equivalents at the end of the financial half-year	<u>442,948</u>	<u>561,026</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:

Level 13, 465 Victoria Street
Chatswood NSW 2067
Australia

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2023. 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 2022 are condensed financial statements that 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 2022 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 2022 to 31 December 2022 have been prepared on a going concern basis.

The consolidated entity has negative working capital as at 31 December 2022 where current liabilities exceed current assets by \$207,723 (30 June 2022: positive working capital of \$493,912). The consolidated entity made a loss after tax of \$311,226 (2021: loss after tax of \$538,331) during the period, generated net operating cash outflows of \$343,634 (2021: cash outflows of \$715,532) and as at 31 December 2022 has a deficiency of net assets of \$198,513 (30 June 2022: deficiency of \$1,868,198). The cash balance as at 31 December 2022 was \$442,948 (30 June 2022: \$788,990).

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 consolidated entity 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. The consolidated entity has wound down the sea cucumber business to the minimal operations to preserve cash. Further, loans of \$421,097 from shareholders have also been discharged by converting such debt to equity.

The consolidated entity's major cash requirements for the third and fourth quarters of the financial year are the due diligence inquiries into Shopa Group and the legal and accounting costs to be incurred in preparing for an investment into such company.

The Board is continuing to seek funding for the proposed investment including the funding costs referred to above to supplement the consolidated entity's working capital.

The Board is examining the feasibility for further equity raising in the calendar year 2023 and is confident of securing an underwriting agreement for a rights issue to all shareholders. The funds expected to be received from such rights issue and the projected income from the likely convertible note investment into Shopa Group will provide sufficient working capital for the consolidated entity for the next 12 months.

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 Maker ('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 consolidated entity's external revenue during the half years ended 31 December 2022 and 31 December 2021.

Note 3. Operating segments (continued)

Operating segment information

	General investment \$	Food products and supplements \$	Total \$
Consolidated - 6 months to 31 Dec 2022			
Revenue			
Sales to external customers	-	9,833	9,833
Interest	40	-	40
Total revenue	40	9,833	9,873
EBITDA			
Depreciation and amortisation	21,316	(289,259)	(267,943)
Interest revenue	(11,703)	(1,182)	(12,885)
Finance costs	40	-	40
Loss before income tax expense	(30,438)	-	(30,438)
Income tax expense	(20,785)	(290,441)	(311,226)
Loss after income tax expense			(311,226)
Assets			
Segment assets	1,508,341	86,734	1,595,075
Intersegment eliminations			(1,103,645)
Total assets			491,430
Liabilities			
Segment liabilities	686,588	1,107,000	1,793,588
Intersegment eliminations			(1,103,645)
Total liabilities			689,943

Note 3. Operating segments (continued)

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	128,721	6,481	135,202
Interest	181	-	181
Total segment revenue	128,902	6,481	135,383
Intersegment eliminations			(128,721)
Total revenue			6,662
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	(366,376)	(171,955)	(538,331)
Income tax expense			-
Loss after income tax expense			(538,331)
Consolidated - 30 Jun 2022			
Assets			
Segment assets	1,988,855	308,393	2,297,248
Intersegment eliminations			(1,048,366)
Total assets			1,248,882
Liabilities			
Segment liabilities	3,105,895	1,059,551	4,165,446
Intersegment eliminations			(1,048,366)
Total liabilities			3,117,080

Note 4. Revenue

	Consolidated	
	6 months to 31 Dec 2022	6 months to 31 Dec 2021
	\$	\$
Sale of goods - dried seafood and supplements and fresh food	9,833	6,481

Disaggregation of revenue

During the half-years ended 31 December 2022 and 31 December 2021, all revenue from contracts with customers is generated from one major product line, being the sale of dried seafood products and supplements. All revenue is generated in Japan and is recognised at the point in time that goods are transferred.

Note 5. Other income

	Consolidated	
	6 months to 31 Dec 2022	6 months to 31 Dec 2021
	\$	\$
Net foreign exchange gain	37,086	-
Government grants	-	34,500
Reversal of Directors salaries accruals (note 14)	444,800	-
Other	35,023	29
Other income	<u>516,909</u>	<u>34,529</u>

Note 6. Expenses

	Consolidated	
	6 months to 31 Dec 2022	6 months to 31 Dec 2021
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	30,391	26,458
Interest and finance charges paid/payable on lease liabilities	47	1,051
Finance costs expensed	<u>30,438</u>	<u>27,509</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Trade receivables	710	1,309
Receivables from Tidal Moon Pty Ltd	-	10,788
Less: Allowance for expected credit losses	-	(10,788)
Short-term loans	-	10,644
Other receivables	602	3,054
GST receivable	782	6,053
	<u>2,094</u>	<u>21,060</u>

During the financial half-year ended 31 December 2022, the short-term loans was fully repaid. The receivables from Tidal Moon Pty Ltd, which was fully impaired during the financial year ended 30 June 2021, was written-off at 31 December 2022.

Note 8. Current assets - inventories

	Consolidated	
	31 Dec 2022 \$	30 Jun 2022 \$
Raw materials - at cost	209	11,716
Stock on hand - at cost	17,475	401,493
Less: Provision for impairment	-	(86,757)
	17,475	314,736
	17,684	326,452

During the financial half-year ended 31 December 2022, sandalwood oil inventory of \$99,800 was written-off as the likelihood of its sale in the short or medium term is small. And unprocessed sea cucumber inventory of \$208,020 was written-off due to damaged or its reasonable shelf life was due to expire.

Note 9. Current assets - Other assets

	Consolidated	
	31 Dec 2022 \$	30 Jun 2022 \$
Prepayments	4,117	8,017
Deposits paid	48,402	48,391
Less: Provision for impairment	(48,291)	-
	4,228	56,408
	4,228	56,408

During the financial half-year ended 31 December 2022, deposits paid for Peruvian sea cucumber and production project totalling to \$48,291 was fully impaired due to the consolidated entity's decision to hold further production of sea cucumber products.

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

	Consolidated	
	31 Dec 2022 \$	30 Jun 2022 \$
Plant and equipment - at cost	16,823	23,192
Less: Accumulated depreciation	(10,485)	(12,954)
	6,338	10,238
Motor vehicles - at cost	-	22,727
Less: Accumulated depreciation	-	(3,703)
	-	19,024
	6,338	29,262

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

Reconciliations

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

Consolidated	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 July 2022	10,238	19,024	29,262
Disposals	-	(19,024)	(19,024)
Exchange differences	33	-	33
Depreciation expense	(3,933)	-	(3,933)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>6,338</u>	<u>-</u>	<u>6,338</u>

Note 11. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2022 \$	30 Jun 2022 \$
Land and buildings - right-of-use	-	102,209
Less: Accumulated depreciation	-	(96,528)
	<hr/>	<hr/>
	<u>-</u>	<u>5,681</u>

The office lease was terminated during the financial half-year ended 31 December 2022.

Reconciliations

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

Consolidated	Land and buildings - right- of-use \$
Balance at 1 July 2022	5,681
Depreciation expense	(5,681)
	<hr/>
Balance at 31 December 2022	<u>-</u>

Note 12. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2022 \$	30 Jun 2022 \$
Trade payables	6,390	24,973
Other payables and accruals	92,834	80,404
Interest payable	5,326	-
	<hr/>	<hr/>
	<u>104,550</u>	<u>105,377</u>

Note 13. Current liabilities - borrowings

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Bank overdraft	-	2,046
Converting loan notes payable	532,595	532,595
Loans from Director related entity	10,000	10,000
Motor vehicle loan	-	19,851
	<u>542,595</u>	<u>564,492</u>

Loans from Director related entity

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

Converting loan notes payable

Converting loan notes totalling \$532,595, comprising of 2 converting notes of 25,000,000 Japanese Yen each, were issued on 23 June 2022. The notes have a maturity date of 30 June 2023 with an interest rate of 2% per annum, payable in arrears on the maturity date. The notes are unsecured. The loan providers have indicated their intention that the converting notes are to be converted into equity of the Company. On 2 February 2023, the Company issued 2,105,486,605 shares to partially discharge \$421,097 of the debt. The remainder of the debt of \$111,498 will be converted at the next general meeting of the Company, which is likely to be a Special General Meeting in March 2023.

Motor vehicle loan

The motor vehicle was disposed during the financial half-year and the corresponding motor vehicle loan repaid.

Note 14. Non-current liabilities - payables

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Accrued expense - Directors salaries	-	410,900
	<u>-</u>	<u>410,900</u>

During the financial half-year ended 31 December 2022, accrued expense on Directors salaries totalling to \$403,333 and accrued superannuation totalling to \$41,467 were reversed as the directors consent to not pursue the accruals.

Note 15. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Loan from WIN Properties Australia Pty Limited	-	2,000,000
	<u>-</u>	<u>2,000,000</u>

Loan from WIN Properties Australia Pty Limited

The loan from WIN Properties Australia Pty Limited, incurs interest of 5% per annum, payable six monthly in advance or if paid on time, the interest rate reduces to 2.5% per annum.

The loan was converted into shares during the financial half-year ended 31 December 2022 (refer to note 16).

Note 16. Equity - issued capital

	Consolidated			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>18,421,946,420</u>	<u>16,421,946,420</u>	<u>38,207,230</u>	<u>36,207,230</u>

Note 16. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2021	16,421,946,420		36,207,230
Issue of shares on conversion of loan	23 December 2022	<u>2,000,000,000</u>	\$0.0010	<u>2,000,000</u>
Balance	31 December 2022	<u>18,421,946,420</u>		<u>38,207,230</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back

There is no current on-market share buy-back.

Note 17. Equity - dividends

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

Note 18. 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 19. Contingent liabilities

As at 31 December 2022, the consolidated entity had no contingent liabilities (30 June 2022: the consolidated entity has provided financial guarantees of \$114,000).

Note 20. Related party transactions

Parent entity

A1 Investments & Resources Ltd is the parent entity.

Significant transactions with related parties

Messrs Nakamura and Ashcroft fully released the consolidated entity from their respective accrued unpaid salaries in a total of \$444,800. There were no other related party transactions of significance in the period.

Loans to/from related parties

For significant related party transactions that occurred during the half-year ended 31 December 2022, the following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Current borrowings:		
Loan from Director related entity	10,000	10,000
Non-current borrowings:		
Loan from Director related entity	-	2,000,000

Note 21. Earnings per share

	Consolidated	
	6 months to 31 Dec 2022	6 months to 31 Dec 2021
	\$	\$
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(311,226)</u>	<u>(538,331)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>16,519,772,507</u>	<u>16,421,946,420</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>16,519,772,507</u>	<u>16,421,946,420</u>
	Cents	Cents
Basic earnings per share	(0.0019)	(0.0033)
Diluted earnings per share	(0.0019)	(0.0033)

Note 22. Events after the reporting period

On 2 February 2023, the Company issued 2,105,486,605 shares to partially discharge \$421,097 of the converting loan notes payable.

The consolidated entity has signed a Terms Sheet to invest up to \$3.1 million in Shopa Group. The investment is subject to many matters including a consolidation of the Company's shares, the satisfactory completion of a due diligence examination of the Shopa Group, the consolidated entity raising the required capital to make the proposed investment and the ASX confirming that the transaction and investment does not breach the Listing Rules or requires the consolidated entity to re-comply for listing. Although the consolidated entity reasonably expects the investment as disclosed to be completed, there remain many outstanding items before final confirmation can take place.

The consolidated entity notes that should the investment into Shopa Group take place as disclosed this will affect the operations of the consolidated entity, including de-risking the operations as compared to those being undertaken in the reporting period, and in the opinion of the consolidated entity will improve the state of affairs of the consolidated entity in future years.

No other matter or circumstance has arisen since 31 December 2022 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.

A1 Investments & Resources Ltd and its controlled entities
Directors' declaration
31 December 2022



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 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Charlie Nakamura', written over a horizontal line.

Charlie Nakamura
Director

24 February 2023
Sydney

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 2022, 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 2022 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 \$311,226 for the half year ended 31 December 2022 and as of that date, the Group's total liabilities exceeded its total assets by \$198,513. 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 2022 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*.

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A1 INVESTMENTS & RESOURCES LTD
ABN 44 109 330 949
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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
A1 INVESTMENTS & RESOURCES LTD

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 (NSW)

HALL CHADWICK (NSW)

Level 40, 2 Park Street

Sydney NSW 2000

Sandeep Kumar

Sandeep Kumar

Partner

Dated: 24 February 2023

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