

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

**APPENDIX 3: HALF-YEAR REPORT for
the half-year ended 31 December 2016**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The results for this half-year report are for the period 1 July 2016 to 31 December 2016.

	2015	2016	Change
Revenue from ordinary activities	97,227	(97,467)	n/a
Profit (loss) from ordinary activities before tax	53,782	(143,101)	n/a
Profit (loss) from ordinary activities after tax	39,046	(100,592)	n/a
Dividends	Current period		Previous corresponding period
	n/a	n/a	n/a
Franking rate applicable: n/a			
Interim dividend			
Amount per security	n/a	n/a	n/a
Franked amount per security	n/a	n/a	n/a
	31 December 2015	31 December 2016	Previous corresponding period
Net tangible asset backing per share post tax	0.9904¢	0.9337¢	n/a
<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 2016 Annual Financial Report.</i>			



KAIZEN GLOBAL
Investments

**Financial Report for the Half-Year
Ended 31 December 2016**

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COMPANY DETAILS

KAIZEN GLOBAL INVESTMENTS LIMITED

ACN 602 033 670

DIRECTORS:

Jason Conor 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 409
350 George Street
SYDNEY NSW 2000

CONTACT DETAILS:

Suite 409
350 George Street
SYDNEY NSW 2000
Telephone: (02) 7903 0007
Email: info@kaizenglobalinvestments.com
Website: www.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 2, 1 Walker Avenue
WEST PERTH WA 6005

FUND ADMINISTRATOR:

Apex Fund Services (Australia) Pty Limited
Western House, Level 2
83 William Street
MEBLOURNE VIC 3000

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

The Directors present their report on Kaizen Global Investments Limited (**the Company**, or **KGI**) for the financial period ended 31 December 2016. 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 Company's principal activity during the year was investing in global securities, and there were no significant changes in the nature of those activities during the period.

OPERATIONS

For the half year ended 31 December 2016, the NTA per share of the Company decreased by 5.7%. Investments are valued continuously to market value. For the half-year ended 31 December 2016, net investments were valued at \$2,021,944.

FINANCIAL POSITION

The net asset value of the Company for the half-year ended 31 December 2016 was \$2,465,632

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

During the half-year period, Andre Edmunds retired as a director in accordance with the Company's Constitution, and was re-elected as a Director of the Company at KGI's Annual General Meeting held on 7 November 2016.

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.



C. GRINDLAY
Director
Dated: 27 February 2017

AUDITOR'S INDEPENDENCE DECLARATION

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

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27 February 2017

Board of Directors
Kaizen Global Investments Limited
Suite 409
350 George Street
Sydney NSW Australia 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 period ended 31 December 2016, 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
(Trading as Stantons International)
(Authorised Audit Company)

Martin Michalik
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	December 2016	December 2015
Income from deposits	504	177
Income from dividends	1,141	9,082
Net changes to net fair value of investments	(99,112)	87,968
Total income from ordinary activities	(97,467)	97,227
Administration expenses	(45,635)	(43,445)
Operating (loss) before income tax	(143,102)	53,782
Income tax benefit relating to ordinary activities	42,509	(14,736)
(Loss)/Profit attributable to members of the company	(100,592)	39,046
Other comprehensive income for the financial year	-	-
Total comprehensive (loss)/income for the financial year	(100,594)	39,046
Overall operations		
Basic (Loss)/Profit per share (cents per share)	(3.8094)	1.75
Diluted (Loss)/Profit per share (cents per share)	(3.8094)	1.75

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

ASSETS	Note	December 2016 \$	30 June 2016 \$
Cash and cash equivalents		385,995	868,423
Trade and other receivables		13,045	15,667
Financial assets held at fair value through profit and loss	4	2,459,941	2,179,113
Deferred tax assets		62,209	54,547
TOTAL ASSETS		2,921,190	3,117,750
LIABILITIES			
Trade and other payables		17,561	37,718
Financial liabilities held at fair value through profit and loss	4	437,997	478,960
Deferred tax liabilities		-	34,847
TOTAL LIABILITIES		455,558	551,525
NET ASSETS		2,465,632	2,566,225
EQUITY			
Issued capital	3	2,589,864	2,589,864
Accumulated losses		(124,232)	(23,639)
TOTAL EQUITY		2,465,632	2,566,225

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued capital	Accumulated losses	Total
December 2016	\$	\$	\$
Balance at 1.07.2016	2,589,864	(23,639)	2,566,225
Issued (Net of Costs)			-
Profit for the half year	-	(100,593)	(100,593)
Balance at 31.12.2016	2,589,864	(124,232)	2,465,632
Balance at 1.07.2015	2,204,374	(27,912)	2,176,402
Issued (Net of Costs)	-	-	-
Profit for the half year	-	39,044	39,044
Balance at 31.12.2015	2,204,374	11,132	2,215,506

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	December 2016 \$	December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received (paid)		(7,435)	177
Dividends Received		7,022	15,464
Finance Costs		-	(9,054)
Payments to suppliers		(39,288)	(20,324)
Net cash (used in) operating activities		(39,701)	(13,737)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases to acquire financial assets		(2,153,012)	(1,092,797)
Sales of Financial Assets		1,727,513	1,056,257
Net cash (used in) investing activities		(425,499)	(36,540)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of Shares		-	-
Loan From Related Parties			(499)
Net cash provided by/ (used in) financing activities		-	(499)
Net increase/(decrease) in cash held		(465,200)	(50,776)
Cash at beginning of period		868,422	205,735
Effect of Exchange Rate Changes		(17,227)	(10,547)
Cash at end of period		385,995	144,412

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The half-year financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 134 Interim Financial Reporting, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue on 27 February 2017 by the Board of Directors.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2016 and any public announcements made by Kaizen Global Investments Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs with the exception of "held for trading" financial assets and certain other financial assets and liabilities which have been measured at fair value.

(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 2016 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 2016.

(d) Segment Reporting

The Company has only one segment. The Company operates predominantly in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its financial assets at fair value through profit or loss, however the Company has foreign exposures as it invests in companies which operate internationally.

(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.

2. DIVIDENDS

(a) Dividends paid during the year

No dividend was declared during the year.

(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 year were as follows:

Date	Details	Ordinary Shares No.	Price \$	Issued Capital \$
31.12.16	Balance	2,640,655		2,589,864
30.06.16	Balance	2,640,655	-	2,589,864
31.12.15	Balance	2,237,001		2,204,374
30.06.15	Balance	2,237,001		2,204,374

All ordinary shares rank equally inter se for all purposes of participation in profits or capital of the company. No Options have been exercised in the financial year. 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

Options

No options were on issue for the period.

4. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The following table presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2016:

31 December 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets	2,459,941	-	-	2,459,941
Financial liabilities	(437,997)	-	-	(437,997)
Total	2,021,944	-	-	2,021,944

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 2016 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, flowing script.

C. GRINDLAY
Director

Dated 27 February 2017, Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

Stantons International Audit and Consulting Pty Ltd
trading as

Stantons International
Chartered Accountants and Consultants

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kaizen Global Investments Limited, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity, and 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 for Kaizen Global Investments Limited (the Company).

Directors' Responsibility for the Half-Year 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 (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kaizen Global Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Kaizen Global Investments Limited on 27 February 2017.

Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
27 February 2017