



## ASX RELEASE

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### **A1 Investments & Resources Limited** **Annual General Meeting** **CHAIRMAN'S ADDRESS**

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The following address was delivered by the Chairman, Peter Ashcroft to the Annual General Meeting today.

The overall performance of the company remains unsatisfactory. The board, our staff and contractors have all been working very hard to turn around the company. However, since the publication of the Annual Report trading conditions in the company's primary business, the Qualipac joint venture have remained difficult.

It is noteworthy that Wesfarmers in its annual report to its shareholders in August 2017 made note of the poor performance of its Coles supermarkets which continued to be affected by adverse trading conditions in the fresh food sector. Although the volume of Coles fresh food increased in the year prior to the annual report, the revenue was less and margins overall had been reduced.

These difficult trading conditions are mirrored by suppliers such as ourselves, and although the Qualipac joint venture does not sell to the Coles group the same trading conditions applied to all our products and to our customers.

These trading conditions also coincided with the hottest four months on record for autumn and winter and early spring on the Darling Downs. Jondaryan experienced two 40 degree days in September and record low humidity.



These weather conditions have resulted in the loss of our second broccoli crop and the likely reduction in yield of the current onion crop. Conditions have markedly improved in the past 4 weeks and the company looks forward to a general return to average summer and autumn conditions in 2018.

**The current onion crop Hirschbrooke October 2017**

The Board is confident of the long term viability of its business plan centred on the Qualipac joint venture and its further expansion. However, without further cash for working capital the company is unlikely to be able to trade after it has expended its current working capital loan. The Board is very conscious of this problem and is seeking to secure further funding to permit the company to continue with its existing plans.

One of the core plans of the company for 2018 is the installation of a lateral irrigator at Hirschbrooke which will substantially improve total yields on the farm and also even out the risks of the market over time.

The company has also agreed to manage a further property on behalf of investors which property will be made available to the Qualipac joint venture. The company is seeking to encourage further investment in rural properties on the Darling Downs by independent investors and such properties to be managed by the company. It is likely most of these further properties will form part of the expanded Qualipac joint venture but some may also be used for other farming ventures, particularly silage and/or hay production.

The Board continues to look and examine possible acquisitions for the purposes of a strategic merger with the company.

The chairman completed his address by thanking all the company's shareholders for their support and confirmed the directors' enthusiasm for the company and its prospects for 2018 and beyond.



Charlie Nakamura  
Director

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