



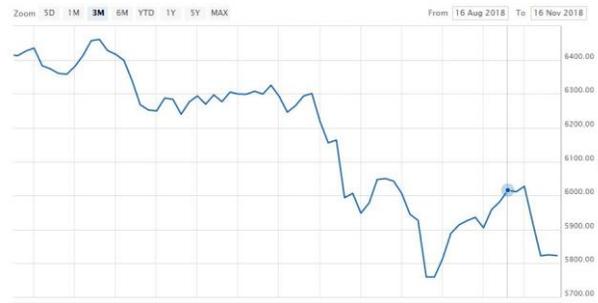
**CHAIRPERSON'S ADDRESS**

**A1 Investments & Resources Limited  
Annual General Meeting**

**To the Shareholders A1 Investments & Resources Limited**

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 including raising further capital and examining other opportunities for the company in the short and medium term. However, trading conditions in the capital markets in Australia remain difficult.

Raising capital in this market in 2018 and particularly in the last 6 months has been very hard for the company.



**Chart of the All Ordinary Index for the ASX for the 3 months to 18 Nov 2018**



In my address to the 2017 AGM I made note of Wesfarmers AGM and the poor performance of its Coles supermarkets. At that meeting Wesfarmers indicated a change in marketing philosophy for Coles in an effort to return this division to profit.

**Harvesting barley Hirschbrooke November 2018**

Nothing however, took place that we observed as consumers and wholesale suppliers of vegetables from our Qualipac joint venture and of course Wesfarmers has now undertaken a de-merger of Coles and re-listing of Coles as a new entity. We assume it will take some time for the new Coles to establish its

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marketing position and we therefore do not anticipate any substantial change in the wholesale market for vegetables, particularly broccoli in early 2019.



**The Chairperson inspecting the irrigator at Hirschbrooke 27 Nov 2018**

Qualipac and the company elected not to grow broccoli at Hirschbrooke in 2018 because of the very poor wholesale prices for the product. It is extremely unlikely we could have reduced our costs enough to make any profit on broccoli in 2018. To this problem was must add the very poor rainfall on the Darling Downs throughout 2018.



The average annual rainfall for Toowoomba is 727 mm and in 2018 only 470 mm has been received at Toowoomba airport to date. We therefore elected to plant barley, onions, sweet corn and sorghum in 2018.

**Ready to Irrigate at Hirschbrooke 27 November 2018.**

The company will continue to manage its allocated irrigation water conservatively but professionally. The current barley crop which was harvested in early November and is hitting the market at a time when grains prices are at a premium.

The company will have an onion crop harvested before Christmas, sweet corn in early January and grain sorghum in late January. We can undertake this program because of our water allocation and the efficient and effective irrigation equipment the company has on the farm.

**The onion crop ready for harvest in the first week of December 2018**



The company will continue to manage Hirschbrooke aggressively to ensure the maximum utilisation of the property whilst always adopting the best possible farming and horticultural practices. The program for 2019 will be a combination of grains and vegetables, with a focus on lower labour cost vegetable production.

As noted last year without further cash for working capital the company is unlikely to be able to trade into the future. Mr Nakamura has been providing cash to support the company for several months and I would like to express my personal thanks. The Board is very conscious of this problem and is seeking to secure further funding to permit the company to continue.

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



**Harvesting barley at Hirschbrooke November 2018**

#### **Appreciation of the Support of Shareholders and Fellow Directors**

I again take this opportunity to thank all the company's shareholders and my fellow directors, for their support and to confirm the directors' continued support for the company and its prospects for 2019 and beyond despite the concerns expressed in this address.



**Peter Ashcroft**  
**Chairperson and Director**