



## ASX RELEASE

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### New Developments for 2016

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The company has released its accounts for the 6 months to 31 Dec 2015.

The company has declared its first ever profit of an amount of \$48,649 which is a substantial milestone for the company. This is a remarkable achievement given the acquisitions undertaken and the costs of establishing new business units within the group.

There has been substantial changes to the company since the end of the financial year on 30 June 2015.

1. COTY Guam. At 30 June 2015 the acquisition of a 50% interest in this company had just been completed. A1 and its partners are continuing to explore the development requirements and the expanded potential of the 7.8 hectares of industrial land in Guam. As part of our business plan for COTY Guam for the calendar year 2016 A1 is examining some further opportunities to open up its investment in advance of the required further development. A1 is also confident that COTY Guam will be able to re-finance its A1 debt in this quarter and release cash back to A1 of not less than \$1.1 million.
2. In early July 2015 A1 acquired 100% of Tournet Oceania which provides tourist services primarily to Japanese in-bound tourists in Australia. Tournet has performed to expectations but its results in the period to 31 Dec 2015 were limited by the delay in ANA commencing services to Australia. ANA has now commenced and with its very aggressive pricing strategy is attracting a significant increase in Japanese tourists to Australia which will have a direct benefit on the revenues of Tournet. Along with the arrival of a further commercial bus A1 expects Tournet to meet its target revenue and profit for the year to 30 June 2016.
3. In August A1's subsidiary A1 Food Platform Services acquired 100% of the business of Ikkyu Ramen in the Haymarket district of Sydney. The acquisition of this business was part of a strategic plan to strengthen the food credentials of the group. Mr Haru Inukai joined as an executive chef and his influence, expertise and reputation are enhancing the company's position across a range of food related businesses.

Further rationalisation of the business of Ikkyu Ramen is taking place and the company is confident that the revenue targets of the business will be met, although total profit will be small to negligible for the year to 30 June 2016.

4. In September 2015 A1's subsidiary A1 Investments Japan acquired 100% of Great Voyage, a company primarily engaged in transport advertising within Tokyo. The purchase of Great Voyage was

opportunistic as the company had significant potential to be expanded into other Japanese cities and using the current Great Voyage business model. Great Voyage has recently commenced operating in Osaka.

Great Voyage has provided revenue in its first 4 months of operations within the group in accordance with its target and we expect the full year revenue to be met and a net profit of A\$200,000 to 30 June 2016. Cash projections for Great Voyage for this calendar year allow A1 to be confident that Great Voyage will have sufficient cash to fund the overheads of the group in Japan and meet the first instalment of capital due on the loan to A1 Japan in September 2015.

A1 is examining how we can support the further expansion of Great Voyage in 2016.

A1 Japan is examining other investment opportunities within the Japanese domestic market and we are targeting at least one further acquisition in 2016.

5. In November 2015 WIN A1 a subsidiary of A1 acquired a wholesale food production business which required new premises, management and additional capital to prosper. WIN A1 formed a new business it has called EQ Foods and commenced operations in Brookvale on the northern beaches of Sydney.



**New EQ Foods logo**

EQ Foods produces a range of products for the restaurants of Sydney. These products range from sushi rice, soups, stocks and sauces. With the added expertise and reputation of Haru EQ Foods has commenced to extend its range of products and its market. EQ Foods has entered a strategic alliance with a large food wholesaler with potential to expand the product range throughout Australia.



**Our in-house award winning chef Haru Inakai in the EQ Foods commercial kitchen at Brookvale NSW**

EQ Foods is also undertaking a re-branding of its products and a more focused sales and marketing program to support the business.

EQ Foods has a target revenue for 2016 of \$3.5 million and a net profit of \$200,000. EQ Foods will be the focus of the operations of A1 in Australia for the next 12 months.

6. A1 is continuing to examine opportunities as they may be presented.

A1 will remain focused on the following industry sectors;

- Property development
- An industrial development in Sydney is currently under consideration
- Tourism
- An in-bound tourist business in Japan similar that of Tournet is currently being examined
- Transport Advertising
- An expansion of Great Voyage to other Japanese cities is currently being developed
- Retail food businesses
- Further support of Ikkyu Ramen in Sydney using the model of the existing ramen operation is currently being examined
- Retail franchise food businesses in Japan are currently under investigation for wholly or partial acquisition
- Wholesale Food businesses
- Substantial potential to expand EQ Foods will be examined. The operation of multiple shifts from the new Brookvale premises is possible if demand is sufficient.
- The commencement of a new brand for EQ Foods
- The expansion of the product range of EQ Foods under the new brand
- A possible exclusive supply agreement with a newly established franchise business has significant potential
- SuperSorghum.
- A1 retains its interest in development SuperSorghum distribution and sales.
- Food industry investment opportunities
- A1 is examining other food industry investment opportunities including the possibility of acquiring a substantial interest in an existing successful wholesale food business in Australia

7. A1 has a target revenue for the year to 30 June 2016 of A\$3 million and for the financial year to 30 June 2017 of A\$7.7 million.

**A1 INVESTMENTS & RESOURCES LTD**



Charlie Nakamura  
Director