

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
Reporting period:	For the year ended 30 June 2017
Previous period:	For the year ended 30 June 2016

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	47.9% to	2,874,812
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	up	134.4% to	(1,806,937)
Loss for the year attributable to the owners of A1 Investments & Resources Ltd	up	134.4% to	(1,806,937)

Revenue from ordinary activities comprises of revenue of \$309,265 from continuing operations and revenue of \$2,565,547 from discontinued operations.

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 \$1,806,937 (30 June 2016: \$770,903).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	-	0.01

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Name of entities (or group of entities)	Tournet Oceania Pty Ltd and WIN Properties Australia Pty Limited (formerly WIN A1 Pty Limited)
Date control lost	31 March 2017 and 27 June 2017
	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(529,573)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	(364,650)

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

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
COTY Guam LLC	50.00%	50.00%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	-
Income tax on operating activities			-	-

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 Annual Report is in the process of being audited. It is expected that the auditor's report will contain an unmodified opinion with an emphasis of matter paragraph with respect to material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Preliminary financial report of A1 Investments & Resources Ltd for the year ended 30 June 2017 and an attachment (detailing changes to the consolidated entity during the reporting period) are attached.

12. Signed

Signed  _____

Charlie Nakamura
Director
Sydney

Date: 31 August 2017

This is an attachment to the Company's Preliminary Financial Statement to 30 June 2017.

There has been some significant changes to the Company since the end of the financial year on 30 June 2016 and this attachment is designed to be read in conjunction with such Preliminary Financial Statement.

This attachment also deals with the issue of a deficiency in equity of \$399,334 as disclosed in the Statement.

The Board of the Company is confident the Company is a going concern by virtue of;

- The provision of the working capital loan from Plus JPS of US\$1 million; and
- A1 Qualipac Agriculture joint venture (see below) will be cash positive and profitable by 30 June 2018 and will generate sufficient cash for the Company to trade in the ordinary course of business.

The changes to the Company have focused on further rationalisation of the Company's businesses whilst the Company continues to focus its overall business strategy on food production for domestic and export consumption. These changes are reflected in the Preliminary Financial Statement of the Company to 30 June 2017.

The changes are as follows;

1. In August 2016 the Company entered a strategic alliance with Fulfillment Holdings Co., Limited ("Fulfillment") a Japanese corporation with an alleged extensive food industry network in Japan. Fulfillment was looking to establish a pasture to the plate distribution network of Australian food products to Japanese consumers. Fulfillment also undertook to assist in the further development of EQ Foods at Brookvale and further development of the Company's restaurant business.

In each instance Fulfillment failed to perform.

Fulfillment requested that the Company obtain a farm for the production of vegetables for export to Japan and to further support EQ Foods and the restaurant business. On 30 September 2016 Fulfillment provided a guarantee to the Company in relation to a proposed purchase of a 125 hectare property at Jondaryan in southern Queensland. This property was being used for the production of stock feed at that time.

The property was targeted for purchase by the Company because of the following;

- Its relative proximity to Gatton the head office of our proposed joint venturer farming partner, Qualipac Agriculture. The property was at that time approximately 1.5 hours by truck or bus from Gatton (1 hour by car). It was also noted that the second range crossing was well underway by the Queensland government and this would further reduce the travelling time to the property from Gatton.
- The property had current water allocation licences including bore and creek licences of over 300 mega litres of irrigation water per annum.
- The property had never had in its previous 15 years any reduction to its irrigation water below its allocation.
- The property had a 65 mega litre dam available for storage and for water mixing, which would allow the property's bore water to be mixed with creek water which would dilute any salt issues with the bore water before its use on the farm.
- The property had two existing pivot areas with all the required infrastructure to operate both pivot areas simultaneously but included in the purchase only one pivot.
- Production could be immediately increased by operating both pivot areas simultaneously with two pivots.
- The property was a basic rectangle in shape and subject to further investigation and cost analysis lent itself to be up graded with a lateral irrigator to maximise the irrigated area.
- The property was currently being used for the production of lucerne and some grains and had not been heavily farmed at any time over the past 15 years.
- The purchase price per hectare is substantially less than available horticultural land in the Lockyer Valley which is becoming too expensive to represent a viable economic solution for further vegetable production.
- The Darling Downs represented a new development and opportunity to extend horticulture production to the region.

WIN A1 Pty Limited (at that time a wholly owned subsidiary of the Company and now called WIN Properties Australia Pty Limited ["WIN Properties"]) entered into a contract to purchase the property which was settled on 22 December 2016 with loans provided by WIN Corporation Co., Ltd ("WIN Corporation") a related company to Fulfillment. The Company thereafter sought to settle a supply agreement for products produced on the farm for sale and distribution in Japan. No agreement was or could be reached when it became clear to the Company Fulfillment had no established market for the production. Without this revenue the Company could not proceed to settle an acceptable financing arrangement for the loans for the property. In order to ensure the solvency of the Company, the Company agreed to

the sale of WIN Properties for a sum of \$1 on 27 June 2017 to WIN Corporation and all loans used to acquire the property would be assumed by the purchaser. The purchase price of the property was \$3 million and WIN Properties had loans exceeding \$3.5 million and no other realisable assets.

At the same time as the sale of WIN Properties took place WIN Corporation agreed that the Company would manage the property and the proposed food production project on behalf of WIN Properties.

The management agreement between the Company and WIN Corporation is such that other than a rental payment to WIN Properties A1 will retain 75% of its share of the joint venture profits until those profits exceed \$1.5 million.

2. In November and December 2016 the Company commenced negotiations with the Qualipac group in Queensland seeking a joint venture where Qualipac farmed the Jondaryan farm to be acquired by WIN Properties. The Qualipac group were a group of unrelated companies operated by the Qualishefski family in southern Queensland. The Qualishefski family were a well established and highly reputable vegetable production group having farmed the Lockyer Valley west of Brisbane for over 120 years. Fulfillment had represented to the Company and the Qualishefski family that it could provide a significant benefit in gaining entry to the Japanese market without significant costs in Japan. In January 2017 it became clear to the Company that Fulfillment could not fulfil its representations. The Company then concluded a joint venture with Qualipac Agriculture for the farming of the purchased property and the sale of production into the Australian domestic market, using the existing marketing expertise of Qualipac.

The Company and Qualipac commenced farming on the property, now known as "Hirchbrooke" in late January 2017. The first crop of broccoli was harvested in June 2017 producing over 410 tonnes of high quality broccoli from only 38 hectares of irrigable land on the property.

The Company's share on the revenue from the initial broccoli crop was \$266,436 as disclosed in the Preliminary Financial Statements to 30 June 2017. The Company is of the view this is an outstanding result for a first time crop and provides evidence of the expertise and professionalism of both the Company and its joint venture partner, Qualipac Agriculture and the significant potential of the project.

In July 2017 onions were planted on part of the southern pivot area at Hirchbrooke and in early August broccoli on the remaining section of this pivot area with each projected to be harvested in late 2017. The product that is being produced on Hirchbrooke is destined for the domestic Australian market, although up to 10% of the production may be exported to Singapore or Taiwan, if the opportunity arises.

The Company is now planning for improved production on Hirchbrooke in 2018 with the installation of a new lateral irrigator. This will increase irrigable land from 38 hectares to 105.

The Company is projecting total production of broccoli for the 12 months to 31 Dec 2017 of 620 tonnes and 500 tonnes of onions.

With the installation of the lateral irrigator the Company is projecting production in the calendar year 2018 of 1500 tonnes of broccoli and 900 tonnes of onions for a revenue in excess of \$2.5 million.

3. In early July 2015 the Company acquired 100% of Tournet Oceania which provided tourist services primarily to Japanese in-bound tourists in Australia. Despite the purchase of a further tour bus to assist the operations and profitability of Tournet in the year to 30 June 2016 the Company was not confident that the short or medium term future of Tournet Oceania would be profitable or cash flow positive. The Company therefore sold Tournet Oceania to a purchaser who agreed to retain all staff for a sum of \$10,000 on 31 March 2017.
4. In August 2015 the Company 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.

Despite the Company continuing to pursue an aggressive cost cutting program for Ikkyu Ramen the Company determined to cease operating the business in January 2017 and the restaurant has been closed. The Company had previously written back the goodwill of the acquisition of this business in the year to 30 June 2016.

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

EQ Foods produced a range of products for the restaurants of Sydney. Despite the assistance of the added management of A1 and its Japanese consultants, EQ Foods did not prosper. EQ Foods had also entered a strategic alliance with a large food wholesaler with potential to expand the product range throughout Australia but the revenue that was generated could not underpin the business. In January 2017 the company elected to reduce production at EQ Foods and focus on the supply of product to the Company's primary wholesaler. During the first quarter of 2017 it became clear the target revenues for the business would not be achieved and the business would remain cash flow negative and unprofitable. The Company thereafter elected to cease production and has sought to surrender the lease at Brookvale.

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

The Company has determined that its primary focus will be food businesses in Australia, including export food businesses.

The Company will remain focused on the following industry sectors;

- Wholesale Food businesses
 - The supply of vegetables produced by the A1 Qualipac joint venture
 - The supply of vegetables to Asia, primarily Singapore, Taiwan and Japan.
 - The supply of other agricultural food products to Japan, Vietnam and other Asian markets. The Company is in discussions with several parties in respect to the establishment of new joint ventures for the supply of fresh meat and meat products to Vietnam. The Company has established sales, logistics and marketing chains in Vietnam that have the capacity to substantially reduce the cost of Australian export meat products to end users in Vietnam.
 - The expansion of the A1 Qualipac joint venture to further producing properties, primarily in southern Queensland.
 - Food industry investment opportunities
 - The Company is examining other food industry investment opportunities including the possibility of acquiring a substantial interest in an existing successful wholesale food business
7. In July 2017 the Company has also secured a working capital loan of US\$1 million from Plus JPS in Singapore. Such loan has a maturity date of 31 July 2020. The Company acknowledges that this loan was essential to secure the continued solvency and trading of the Company.
 8. Despite the best efforts of the Company the current loan of \$350,000 was not extended to a maturity date for re-payment of the principal to 31 July 2019 as indicated by representatives of lender/investor at the time of the sale of WIN Properties and the debt to lender/investor has therefore remained a current liability. The lender/investor has indicated it has no immediate intention to call for repayment. However there are sufficient funds available from Plus JPS working capital loan to fully pay out this loan if the loan is called by the lender/investor.
 9. The financial statements have been prepared on a going concern basis because the Company has sufficient cash to continue to trade in the ordinary course of business for some months. The Company's management recognises that without further cash the Company may not be able to trade after the expenditure of its current cash amount available from the working capital loan.
 10. The Company is confident of the following;
 - A1 Investments Operations Pty Limited the wholly owned subsidiary of the Company which is the joint venture partner of Qualipac Agriculture being cash positive and profitable by 30 June 2018;
 - the A1 Qualipac Agriculture joint venture will generate sufficient cash to pay all interest on all loans including the current loan of \$350,000 and the loan from Plus JPS Pty Limited; and
 - The A1 Qualipac joint venture will generate sufficient cash after the payments on all loans including the current loan of \$350,000 and loan from Plus JPS for the Company to continue to trade in the ordinary course of business.

A1 Investments & Resources Ltd and its controlled entities

ABN 44 109 330 949

Preliminary financial report - 30 June 2017

A1 Investments & Resources Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2017



	Note	Consolidated 2017 \$	2016 \$
Revenue from continuing operations	2	309,265	76,796
Investment and other income	3	-	631,144
Expenses			
Raw materials and consumables used		(31,815)	-
Subcontracting expense		(201,957)	-
Employee benefits expense		(333,495)	(405,562)
Depreciation expense		(15,251)	(8,627)
Write off of goodwill		(137,994)	-
Consultancy and professional fees		(512,046)	(378,415)
Travel expenses		(119,447)	(57,528)
Share registry and listing expenses		(35,600)	(47,160)
Impairment of assets		(183,724)	-
Net loss on disposal of financial assets through profit or loss		-	(22,471)
Other expenses		(121,761)	(131,738)
Finance costs		<u>(24,918)</u>	<u>(16,999)</u>
Loss before income tax expense from continuing operations		(1,408,743)	(360,560)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense from continuing operations		(1,408,743)	(360,560)
Loss after income tax expense from discontinued operations	4	<u>(398,194)</u>	<u>(410,343)</u>
Loss after income tax expense for the year attributable to the owners of A1 Investments & Resources Ltd		(1,806,937)	(770,903)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gains reclassified to profit or loss as other income from other comprehensive income		<u>-</u>	<u>(616,536)</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>(616,536)</u>
Total comprehensive income for the year attributable to the owners of A1 Investments & Resources Ltd		<u><u>(1,806,937)</u></u>	<u><u>(1,387,439)</u></u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(1,408,743)	(977,096)
Discontinued operations		<u>(398,194)</u>	<u>(410,343)</u>
		<u><u>(1,806,937)</u></u>	<u><u>(1,387,439)</u></u>

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 profit or loss and other comprehensive income
For the year ended 30 June 2017



	Note	Consolidated	
		2017	2016
		\$	\$
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	15	(0.013)	(0.003)
Diluted earnings per share	15	(0.013)	(0.003)
Earnings per share for loss from discontinued operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	15	(0.004)	(0.004)
Diluted earnings per share	15	(0.004)	(0.004)
Earnings per share for loss attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	15	(0.017)	(0.007)
Diluted earnings per share	15	(0.017)	(0.007)

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 30 June 2017



	Note	Consolidated 2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	5	26,305	856,843
Trade and other receivables		40,422	256,202
Inventories		-	145,345
Other		7,000	5,458
Total current assets		<u>73,727</u>	<u>1,263,848</u>
Non-current assets			
Property, plant and equipment	6	86,083	599,264
Intangibles	7	-	277,994
Total non-current assets		<u>86,083</u>	<u>877,258</u>
Total assets		<u>159,810</u>	<u>2,141,106</u>
Liabilities			
Current liabilities			
Trade and other payables	8	92,152	400,443
Borrowings	9	419,004	79,874
Total current liabilities		<u>511,156</u>	<u>480,317</u>
Non-current liabilities			
Borrowings	10	47,988	253,186
Total non-current liabilities		<u>47,988</u>	<u>253,186</u>
Total liabilities		<u>559,144</u>	<u>733,503</u>
Net assets/(liabilities)		<u>(399,334)</u>	<u>1,407,603</u>
Equity			
Issued capital	11	30,378,956	30,378,956
Reserves	12	819,702	819,702
Accumulated losses		(31,597,992)	(29,791,055)
Total equity/(deficiency)		<u>(399,334)</u>	<u>1,407,603</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 year ended 30 June 2017



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	29,818,956	1,586,238	(29,020,152)	2,385,042
Loss after income tax expense for the year	-	-	(770,903)	(770,903)
Other comprehensive income for the year, net of tax	-	(616,536)	-	(616,536)
Total comprehensive income for the year	-	(616,536)	(770,903)	(1,387,439)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 11)	410,000	-	-	410,000
Transfer from share-based payments reserve to issued capital	150,000	(150,000)	-	-
Balance at 30 June 2016	<u>30,378,956</u>	<u>819,702</u>	<u>(29,791,055)</u>	<u>1,407,603</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2016	30,378,956	819,702	(29,791,055)	1,407,603
Loss after income tax expense for the year	-	-	(1,806,937)	(1,806,937)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,806,937)	(1,806,937)
Balance at 30 June 2017	<u>30,378,956</u>	<u>819,702</u>	<u>(31,597,992)</u>	<u>(399,334)</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 year ended 30 June 2017



	Note	Consolidated 2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,712,860	4,513,847
Payments to suppliers and employees (inclusive of GST)		(4,046,227)	(5,364,776)
		(1,333,367)	(850,929)
Interest received		19,043	34,526
Interest and other finance costs paid		(47,264)	(76,089)
Income taxes paid		-	(46,568)
Net cash used in operating activities		(1,361,588)	(939,060)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		-	(350,876)
Payments for property, plant and equipment		(3,285,223)	(286,708)
Proceeds from sale of investments		-	117,529
Cash flow from disposal of business/subsidiary, net of cash disposed		(90,683)	12,335
Proceeds from disposal of property, plant and equipment		71,175	9,091
Net cash used in investing activities		(3,304,731)	(498,629)
Cash flows from financing activities			
Proceeds from issue of shares	11	-	200,000
Proceeds from borrowings		3,829,230	1,117,721
Repayment of borrowings		-	(60,000)
Proceeds from/(repayment of) leases		6,551	(32,936)
Net cash from financing activities		3,835,781	1,224,785
Net decrease in cash and cash equivalents		(830,538)	(212,904)
Cash and cash equivalents at the beginning of the financial year		856,843	1,069,747
Cash and cash equivalents at the end of the financial year	5	<u>26,305</u>	<u>856,843</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Operating segments

Identification of reportable operating segments

During the years ended 30 June 2017 and 30 June 2016, the consolidated entity is organised into four operating segments:

- General investment;
- Food*;
- Tourism*; and
- Advertising**.

* Part of the food segment and all of the tourism operating segment were disposed of during the year ended 30 June 2017.

**The advertising operating segment was disposed of during the year ended 30 June 2016.

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 Makers ('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 at least 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	the operation of a commercial kitchen and restaurants predominantly in Sydney, Australia and the production of food for sale from farms primarily in Queensland;
Tourism	the provision of tourism services for Japanese clients in Sydney, Australia
Advertising	the provision of advertising services predominantly in Japan

Major customers

No single customer contributed 10% or more to the consolidated entity's external revenue during the half years ended 30 June 2017 and 30 June 2016.

However sales of the food produced on the Queensland farms, half of which is the property of the company are made to Australian wholesalers and major Australian super market chains including Woolworths which takes approximately 22% of the total sales from such project.

Note 1. Operating segments (continued)

Operating segment information

	General investment \$	Food \$	Tourism \$	Total \$
Consolidated - 2017				
Revenue				
Sales to external customers	-	1,465,730	1,351,124	2,816,854
Interest	19,043	1,634	5	20,682
Other revenue	23,786	-	13,490	37,276
Total revenue	42,829	1,467,364	1,364,619	2,874,812
EBITDA	(2,122,966)	407,595	139,631	(1,575,740)
Depreciation and amortisation	(15,251)	(47,176)	(32,070)	(94,497)
Write off of assets	(137,994)	(140,000)	-	(277,994)
Impairment of assets	(183,724)	-	-	(183,724)
Profit/(loss) on disposal of discontinued operation	364,854	-	-	364,854
Interest revenue	19,043	1,634	5	20,682
Finance costs	(24,918)	(3,275)	(32,325)	(60,518)
Profit/(loss) before income tax expense	(2,100,956)	218,778	75,241	(1,806,937)
Income tax expense				-
Loss after income tax expense				(1,806,937)
Assets				
Segment assets	320,098	50,787	-	370,885
Intersegment eliminations				(211,075)
Total assets				159,810
Liabilities				
Segment liabilities	553,923	216,296	-	770,219
Intersegment eliminations				(211,075)
Total liabilities				559,144

Note 1. Operating segments (continued)

	General investment \$	Food \$	Tourism \$	Advertising \$	Total \$
Consolidated - 2016					
Revenue					
Sales to external customers	-	1,510,657	1,488,342	2,443,915	5,442,914
Interest	34,521	1	4	11	34,537
Other revenue	42,275	2,152	511	-	44,938
Total revenue	<u>76,796</u>	<u>1,512,810</u>	<u>1,488,857</u>	<u>2,443,926</u>	<u>5,522,389</u>
EBITDA	(369,451)	(365,116)	29,940	90,061	(614,566)
Depreciation and amortisation	(8,626)	(18,936)	(36,249)	-	(63,811)
Profit on disposal of discontinued operation	18,242	-	-	-	18,242
Interest revenue	34,521	1	4	11	34,537
Finance costs	(16,999)	(241)	(20,942)	(37,907)	(76,089)
Profit/(loss) before income tax expense	<u>(342,313)</u>	<u>(384,292)</u>	<u>(27,247)</u>	<u>52,165</u>	<u>(701,687)</u>
Income tax expense					(69,216)
Loss after income tax expense					<u>(770,903)</u>
Assets					
Segment assets	<u>1,868,032</u>	<u>704,703</u>	<u>610,644</u>	<u>-</u>	<u>3,183,379</u>
Intersegment eliminations					(1,042,273)
Total assets					<u>2,141,106</u>
Liabilities					
Segment liabilities	<u>48,892</u>	<u>1,088,991</u>	<u>685,884</u>	<u>-</u>	<u>1,823,767</u>
Intersegment eliminations					(1,090,264)
Total liabilities					<u>733,503</u>

Geographical information

	Sales to external customers		Geographical non-current assets	
	2017	2016	2017	2016
	\$	\$	\$	\$
Australia	2,816,854	2,998,999	86,083	877,258
Japan	-	2,443,915	-	-
	<u>2,816,854</u>	<u>5,442,914</u>	<u>86,083</u>	<u>877,258</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post employment benefits assets and rights under insurance contracts.

Note 2. Revenue

	Consolidated	
	2017	2016
	\$	\$
From continuing operations		
<i>Sales revenue</i>		
Sales of goods - fresh produce	266,436	-
<i>Other revenue</i>		
Research fees	-	38,000
Interest	19,043	34,521
Other revenue	23,786	4,275
	42,829	76,796
Revenue from continuing operations	309,265	76,796

Note 3. Investment and other income

	Consolidated	
	2017	2016
	\$	\$
Net foreign exchange gain	-	14,608
Net gain on disposal of available-for-sale financial assets	-	616,536
Investment and other income	-	631,144

Note 4. Discontinued operations

Description

The discontinued operations during the year ended 30 June 2017 represents:

- Disposal of the Ikkyu Ramen business for total consideration of \$19,000 on 28 January 2017;
- Disposal of 100% of the share capital in Tournet Ocenaia Pty Ltd for total consideration of \$10,000 on 31 March 2017; and
- Disposal 100% of the share capital in WIN Properties Australia Pty Limited (formerly WIN A1 Pty Limited) for total consideration of \$1 on 27 June 2017.

During the previous year, on 8 June 2016, the consolidated entity disposed of its entire investment in A1 Investment Japan Co. Ltd and it's controlled entities for total consideration of \$12,335 (JPY1,000,000).

Note 4. Discontinued operations (continued)

Financial performance information

	Consolidated	
	2017	2016
	\$	\$
Rendering of services - advertising	-	2,443,915
Rendering of services - tourism	1,351,124	1,488,343
Sales of food and beverages	1,199,295	1,512,809
Interest	1,638	15
Other income	13,490	511
Total revenue	<u>2,565,547</u>	<u>5,445,593</u>
Raw materials and consumables used	(724,048)	(3,139,360)
Subcontracting expense	(454,288)	(562,082)
Employee benefits expense	(1,063,688)	(1,240,697)
Commission fees	-	(90,458)
Professional and consultancy fees	(191,894)	(253,230)
Occupancy expenses	(186,985)	(146,467)
Depreciation expense	(79,246)	(55,185)
Write off of goodwill	(140,000)	-
Other expenses	(452,846)	(258,393)
Finance costs	(35,600)	(59,090)
Total expenses	<u>(3,328,595)</u>	<u>(5,804,962)</u>
Loss before income tax expense	(763,048)	(359,369)
Income tax expense	-	(69,216)
Loss after income tax expense	<u>(763,048)</u>	<u>(428,585)</u>
Gain on disposal of A1 Investment Japan Co. Ltd before income tax	-	18,242
Gain on disposal of Tournet Oceania Pty Ltd before income tax	121,574	-
Gain on disposal of WIN A1 Pty Limited	232,529	-
Gain on disposal of Ikkyu Ramen business before income tax	10,751	-
Income tax expense	-	-
Gain on disposal after income tax expense	<u>364,854</u>	<u>18,242</u>
Loss after income tax expense from discontinued operations	<u><u>(398,194)</u></u>	<u><u>(410,343)</u></u>

Note 4. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	2017	2016
	\$	\$
Cash and cash equivalents	119,684	206,323
Trade and other receivables	175,415	280,295
Property, plant and equipment	3,527,620	-
Intangibles	-	615,843
Deferred tax assets	-	9,943
Total assets	3,822,719	1,112,404
Trade and other payables	443,469	248,630
Borrowings	3,715,103	738,804
Income tax	-	52,049
Other liabilities	-	78,608
Total liabilities	4,158,572	1,118,091
Net liabilities	(335,853)	(5,687)

Details of the disposal

	Consolidated	
	2017	2016
	\$	\$
Total sale consideration	29,001	12,335
Carrying amount of net liabilities disposed	335,853	5,687
De-recognition of foreign currency reserve	-	220
Gain on disposal before income tax	364,854	18,242
Gain on disposal after income tax	364,854	18,242

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	2017	2016
	\$	\$
Cash and cash equivalents	26,305	818,618
Cash on deposit	-	38,225
Total	26,305	856,843

Note 6. Non-current assets - property, plant and equipment

	Consolidated	
	2017	2016
	\$	\$
Leasehold improvements - at cost	-	10,557
Less: Accumulated depreciation	-	(3,810)
	-	6,747
Plant and equipment - at cost	44,648	188,986
Less: Accumulated depreciation	(23,127)	(23,611)
	21,521	165,375
Motor vehicles - at cost	71,322	468,606
Less: Accumulated depreciation	(6,760)	(41,464)
	64,562	427,142
	86,083	599,264

Reconciliations

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

Consolidated	Land	Leasehold	Plant and	Motor	Total
	\$	improvements	equipment	vehicles	\$
		\$	\$	\$	
Balance at 1 July 2015	-	-	9,304	-	9,304
Additions	-	-	161,532	372,219	533,751
Additions through business combinations	-	10,557	13,076	96,387	120,020
Depreciation expense	-	(3,810)	(18,537)	(41,464)	(63,811)
Balance at 30 June 2016	-	6,747	165,375	427,142	599,264
Additions	3,182,654	-	31,247	71,322	3,285,223
Disposals	(3,182,654)	(5,386)	(99,923)	(415,944)	(3,703,907)
Depreciation expense	-	(1,361)	(75,178)	(17,958)	(94,497)
Balance at 30 June 2017	-	-	21,521	64,562	86,083

Note 7. Non-current assets - intangibles

	Consolidated	
	2017	2016
	\$	\$
Goodwill - at cost	-	277,994

Note 7. Non-current assets - intangibles (continued)

Reconciliations

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

Consolidated	Goodwill \$	Total \$
Balance at 1 July 2015	-	-
Additions through business combinations	893,837	893,837
Disposals	(615,843)	(615,843)
	<hr/>	<hr/>
Balance at 30 June 2016	277,994	277,994
Write off of assets	(277,994)	(277,994)
	<hr/>	<hr/>
Balance at 30 June 2017	<u>-</u>	<u>-</u>

For the purpose of impairment testing, goodwill is allocated to the consolidated entity's cash generating units ('CGUs') that are expected to benefit from the synergies of the business combination. A CGU level summary of goodwill allocation is as follows:

	Consolidated	
	2017 \$	2016 \$
Tournet	-	137,994
Ikkyu Ramen	-	120,000
EQ Foods Brookvale	-	20,000
	<hr/>	<hr/>
	<u>-</u>	<u>277,994</u>

Goodwill is tested annually for impairment. As at 30 June 2017 the carrying value of goodwill is \$nil. During the year ended 30 June 2017 the goodwill was written off as follows:

- (1) \$137,994 of goodwill allocated to Tournet was written off during the year as its carrying value exceeded recoverable value. This resulted in the carrying value of the associated goodwill being reduced to \$nil. Tournet was subsequently disposed of.
- (2) \$20,000 of goodwill allocated to the EQ Foods Brookvale CGU was written off during the year. Following the cessation of the EQ Foods Brookvale business, the carrying value exceeded the value in use by \$20,000. This resulted in the carrying value of the associated goodwill being reduced to \$nil.
- (3) \$120,000 of goodwill allocated to the Ikkyu Ramen CGU was written off during the year. This resulted in the carrying value of the associated goodwill being reduced to \$nil.

Note 8. Current liabilities - trade and other payables

	Consolidated	
	2017 \$	2016 \$
Trade payables	19,283	158,627
Other payables and accruals	72,869	241,816
	<hr/>	<hr/>
	<u>92,152</u>	<u>400,443</u>

Note 9. Current liabilities - borrowings

	Consolidated	
	2017	2016
	\$	\$
Loan from Director related entities	49,080	-
Loan - Koriyakawakyu	363,254	-
Lease liability	6,670	79,874
	<u>419,004</u>	<u>79,874</u>

Loan - Koriyakawakyu

The loan from Koriyakawakyu is repayable from 31 January 2017 at the discretion of the lender. The loan is unsecured. Interest is charged at 6% per annum. Koriyakawakyu has indicated it has no immediate intention to call for repayment.

Note 10. Non-current liabilities - borrowings

	Consolidated	
	2017	2016
	\$	\$
Lease liability	<u>47,988</u>	<u>253,186</u>

Note 11. Equity - issued capital

	Consolidated			
	2017	2016	2017	2016
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>10,807,266,550</u>	<u>10,807,266,550</u>	<u>30,378,956</u>	<u>30,378,956</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2015	10,097,266,550		29,818,956
Shares issued on acquisition of Tournet Oceania Pty Limited	1 July 2015	90,000,000	\$0.0010	90,000
Shares issued on acquisition of Ikkyu Ramen	4 August 2015	120,000,000	\$0.0010	120,000
Transfer from share-based payments reserve on exercise of options	1 December 2015	-	\$0.0000	150,000
Issue of shares from exercise of options	1 December 2015	<u>500,000,000</u>	<u>\$0.0004</u>	<u>200,000</u>
Balance	30 June 2016	<u>10,807,266,550</u>		<u>30,378,956</u>
Balance	30 June 2017	<u>10,807,266,550</u>		<u>30,378,956</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.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 12. Equity - reserves

	Consolidated	
	2017	2016
	\$	\$
Other reserves	819,702	819,702

Available-for-sale reserve

The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Other reserves

The reserve is used to recognise increments and decrements in the fair value of non-current assets.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Available-for-sale \$	Share-based payment \$	Other \$	Total \$
Balance at 1 July 2015	616,536	150,000	819,702	1,586,238
Transfer to issued capital on exercise of options	-	(150,000)	-	(150,000)
Transfer to income statement on disposal of available-for-sale financial asset*	(616,536)	-	-	(616,536)
Balance at 30 June 2016	-	-	819,702	819,702
Balance at 30 June 2017	-	-	819,702	819,702

* Transfer to the income statement following the assignment of the consolidated entity's holding in PAFtec Pty Limited to the convertible note holders during the year ended 30 June 2016.

Note 13. Interests in joint operations

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2017 %	2016 %
Quailpac	Australia	50.00%	-

Note 14. Events after the reporting period

No matter or circumstance has arisen since 30 June 2017 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.

Note 15. Earnings per share

Earnings per share for loss from continuing operations

	Consolidated	
	2017	2016
	\$	\$
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(1,408,743)</u>	<u>(360,560)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,807,266,550</u>	<u>10,583,195,512</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,807,266,550</u>	<u>10,583,195,512</u>
	Cents	Cents
Basic earnings per share	(0.013)	(0.003)
Diluted earnings per share	(0.013)	(0.003)

Earnings per share for loss from discontinued operations

	Consolidated	
	2017	2016
	\$	\$
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(398,194)</u>	<u>(410,343)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,807,266,550</u>	<u>10,583,195,512</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,807,266,550</u>	<u>10,583,195,512</u>
	Cents	Cents
Basic earnings per share	(0.004)	(0.004)
Diluted earnings per share	(0.004)	(0.004)

Earnings per share for loss

	Consolidated	
	2017	2016
	\$	\$
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	<u>(1,806,937)</u>	<u>(770,903)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>10,807,266,550</u>	<u>10,583,195,512</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>10,807,266,550</u>	<u>10,583,195,512</u>
	Cents	Cents
Basic earnings per share	(0.017)	(0.007)
Diluted earnings per share	(0.017)	(0.007)