

**Monday 29 November 2021**

## **ASX ANNOUNCEMENT**

### **CHAIRPERSON'S ADDRESS**

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#### **A1 Investments & Resources Limited Annual General Meeting 2021**

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

The Company does not need to remind its shareholders of the hardships of 2020-21. The coronavirus has again had a significant impact on the Company's operations over the past 12 months.

#### **Sea Cucumber Project**

The highlight of the sea cucumber project has been the successful acquisition of sufficient and compliant dried sea cucumber from Peru to act as the primary sea cucumber component of our production in Japan and production soon to be commenced in Australia.

The Company fully supports the conservation of sea cucumbers worldwide and its responsible harvesting for production. The Company is satisfied that harvesting in Peru is done in a sustainable manner.

The Company continues to seek other sources of dried sea cucumber from Australia but the failure of our Western Australian partner to deliver product after significant time and investment by the Company has meant the Company does not have the financial capacity to re-invest in Australian production at this time.

A further highlight has been the commencement in Japan in May 2021 of the manufacturing of finished sea cucumber food additive/supplement and stand alone gummies, but sales have been extremely slow as distribution networks have been hard to establish. COVID19 remains a problem throughout Japan. Negotiations to establish a distribution network in Taiwan continue, but the direct import of our Peruvian sea cucumber for the wholesale market has been stalled because of regulatory approvals.

The Company has continued to manage the purchase and sale of small amounts of Japanese sea cucumber in Japan and it will continue to do so.

The Company has commenced to market its Japanese products under the trade name "Lapilika".

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Lapilika gummies



The Company is projecting revenue for the Japanese business for the year to 30 June 2022 between \$1 and \$2 million. Revenue from the sale of supplements will be additional. The Company has based this projection on reasonable assumptions considering the position of the business in Japan today. This projection is not a guarantee of future performance and undue reliance should not be placed on it.

The Company is confident of the long term viability of a sea cucumber supplement and gummy business in Japan, Taiwan and the PRC, however there are significant short and medium term obstacles to be overcome, not the least of which is the need for further cash in the short term.

The Company is also in the final stages of commencing to manufacture sea cucumber powder products in Australia from imported Peruvian sea cucumber. All products manufactured in Australia are for export with the primary markets being Singapore, Malaysia and South Korea.



**New Australian produced supplement products**



The Company is projecting revenue for the Australian production business for the year to 30 June 2022 between \$1 and \$2 million. Again, this projection is not a guarantee of future performance and undue reliance should not be placed on it.

The Company is confident of the long term viability of a sea cucumber supplement business from production in Australia for the markets of Singapore, Malaysia and South Korea. The Company intends to pursue Australian TGA approval for its products in the future as the Company believes there are significant opportunities to market the products in Australia, particularly for the sale at airports.

**Sandalwood Project**

The Company is partnering with an established wood oil refining business to produce sandalwood oil for wholesale sale. The first 100 kg of high quality native sandalwood oil (*santalum spicatum*) has been produced. Sales will commence next month.

The profitability of this business is dependent on reducing the cost of the raw materials (WA native sandalwood), ensuring production is efficient as possible and securing sales at a premium. The Company is currently using raw timber supplied by Western Australia Forestry Commission. The difficult cost to manage is obtaining the supply of timber at reasonable prices. The Company fully supports the conservation of Australian native sandalwood and its responsible harvesting for production. The Company is seeking alternate suppliers who maintain sustainable practices.

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**AONE Essential Oils Sandalwood Oil**

This business will be carried on under the trade name “AONE Essential Oils”. The Company is also examining other possible wood oil products.

The Company is projecting revenue for the Australian production business for the year to 30 June 2022 between \$500,000 and \$1 million. This projection is again not a guarantee of future performance and undue reliance should not be placed on it.

The Company is confident of the long term viability of an essential oil (including sandalwood) business from production in Australia subject to the Company finding alternate suppliers of the raw timbers.

#### **Projections are not Guarantees of Performance**

All projections of the revenue for the Company’s businesses set out above are reasonable projections made by the Company considering the market position of each business and the current stage of each business’s development. However in each case the projections are dependent on the renewal of the Company’s current customers, opening and supplying new customer accounts, supplier and other material agreements being maintained; and future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow our shareholders the opportunity to understand the Company’s beliefs and opinions in respect of the future. The Board reminds all shareholders that any investment in the Company remains speculative and there are no guarantees of any return on your investment or the return of your capital.

#### **New Funding**

The Board recognises the Company’s need for further cash to remain solvent and is currently seeking further funding from current and new investors.

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**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 2022 and beyond despite the performance of the past 12 months.

2022 will be an extremely exciting and busy year for the Company, both operationally and financially. I look forward to keeping all our shareholders apprised of all these developments.



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

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