



Suite 606, 37 Bligh Street, Sydney NSW Australia 2000

**Monday, 30 September 2019**

## **ASX ANNOUNCEMENT**

### **COMPANY HAS AGREED TO ENTER A JOINT VENTURE TO HARVEST, FARM AND PROCESS AUSTRALIAN SEA CUCUMBERS**

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The Company announces it has signed a Term Sheet with Tidal Moon Pty Limited a Western Australian company with rights to take for commercial purposes sea cucumber over 1200 kms of Western Australian coastal waters with its primary operations at Denham near Shark Bay.



**Part of the Area in which Tidal Moon has the right to harvest sea cucumbers in Western Australian waters**

Tidal Moon and the Company have agreed to form a joint venture processing company to be called Tidal Moon Seafoods to be owned 49% by the Company and 51% by Tidal Moon but with equal numbers of appointed directors. Tidal Moon will sell 100% of its harvest to Tidal Moon Seafood at cost plus 20%, and Tidal Moon Seafoods will process the raw sea cucumbers for sale whereby 80% of the production will be sold at cost plus 20% to Blue Ocean Health a new operating division of A1 Investments Operations. The other 20% of production will be sold into the Australian market.

Blue Ocean Health will sell the product to its associated company located in Singapore which company will arrange the further processing of the product offshore Australia to produce health and beauty products for sale primarily in China, Japan, South Korea and Taiwan.

The United Nations Food and Agriculture Organisation reported in respect to the 2017 year that total production of sea cucumber in China amounted to 200 000 tonnes and the total output value of sea cucumber products reached nearly CNY 30 billion (USD 4.44 billion). At the same time Chinese production suffered from poor production environments that resulted in lower growth rates as compared to previous years, some disease and in some areas high levels of pollution. The market for sea cucumber in China remains strong with enormous opportunities for Blue Ocean Health to

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demonstrate the origin of its product in pristine, unpolluted waters of Western Australia. The Company intends to position its sea cucumber products as high end products at high end market prices.

Sea cucumbers have been used as a food source and medicinal ingredient in Asian and Middle Eastern countries for centuries. Sea cucumber is also used in Traditional Chinese medicine, where it is believed to have healing properties and used to treat ailments like arthritis, cancer, frequent urination and impotence. Sea cucumbers contain high levels of a fucosylated glycosaminoglycan in their skin, which people across Asia have been using to treat joint problems like arthritis for centuries, and more recently in Europe, where people are using it to treat certain cancers and to reduce blood clots.

Sea cucumbers are slug-like animals used either fresh or dried in various dishes, though the dried form is by far the most commonly used. Not only are sea cucumbers packed with protein, vitamins and minerals, they also contain several substances that may benefit overall health. For example, they contain phenol and flavonoid antioxidants, which have been shown to reduce inflammation in the body. Diets rich in these substances are linked to a reduced risk of many chronic diseases, including heart disease and neurodegenerative conditions like Alzheimer's disease. Sea cucumbers are also rich in compounds called triterpene glycosides, which possess antifungal, antitumor and immune-boosting properties. What's more, these marine animals are very high in chondroitin sulfate, an important component of human connective tissue found in cartilage and bone. Foods and supplements that contain chondroitin sulfate may benefit those with joint diseases like osteoarthritis.

The terms of the agreement with Tidal Moon are that Blue Ocean Health will effectively bring forward purchases of dried sea cucumber to an amount of \$450,000, to be paid in two instalments of \$200,000 and then after receipt of the first 500 kg of dried product a further \$250,000. These amounts will permit Tidal Moon and Tidal Moon Seafoods to up-grade their existing operations with a target production of not less than 10 tons of dried sea cucumber in the period to 30 June 2020 and 30 tons for the year to 30 June 2021.

Subject to shareholder approval the Company will issue 500,000,000 shares to the value of \$200,000 at an issue price of \$0.0004 to each Tidal Moon and 189 Corporate in consideration of Tidal Moon entering the Terms Sheet, and a further tranche of shares to the value of \$200,000 to each of Tidal Moon and 189 Corporate at VWAP less 15% upon the processing and delivery of 50 tons of dried sea cucumber on or before 30 June 2022. The Company is proposing to seek shareholder approval at its AGM in November 2019.

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**A1 INVESTMENTS & RESOURCES LTD**



**Peter Ashcroft**  
**Director & Secretary**