



Appendix 4D

Name of Entity:	Sovran White International Limited
ABN:	14 125 236 731
Current Financial Period Ended:	Half-Year ended 31 December 2020
Previous Corresponding Reporting Period	Half-Year ended 31 December 2019

Results for Announcement to the Market

	Percentage change Up or Down	%		\$'000
Revenue from ordinary activities	Up	45%	to	45
(Loss) from ordinary activities after tax attributable to members	Down	30%	to	(670)
(Loss) for the period attributable to members	Down	30%	to	(670)

Dividends	Amount per Security	Franked amount per security
Interim Dividend – Current reporting period	Nil	Nil
Record date for determining entitlements to dividends (if any)	Not applicable	
Date Dividend is payable	Not applicable	
Details of any dividend reinvestment plan in operation	Not applicable	
The last date for receipt of an election notice for participation in any dividend reinvestment plan	Not applicable	

Net Tangible Assets (NTA)	December 2020	December 2019
Net Tangible Assets per security	\$0.01	\$0.01

Brief explanation of any figures reported above necessary to enable the figures to be understood

The lower loss for the half year period at around \$670k (compared with a loss of \$953k in the prior period) could be mainly attributable to the ongoing cost containment exercise.

Compliance Statement

This report is based on the financial report that has been reviewed by the external auditors.



Jin Thean (Jason) Teoh
Executive Director CEO

31 March 2021



ABN 14 125 236 731

**Interim financial report
for the half-year ended 31 December 2020**

Sovran White International Limited
Interim financial report – 31 December 2020

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Directors' report

The Directors of Sovran White International Limited (ASX:CMC) ("SWI or the Company") present their Report together with the interim financial statements of the consolidated entity, being the Company and its controlled entities ("the Group") for the half-year ended 31 December 2020.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report unless otherwise stated:

Jason Teoh, Peter Tay (resigned on 29 January 2021), Alvin Tan

Review of operations

During the half-year,

- a) As announced on 8 July 2020, the Company obtained the requisite shareholder approval and has been working towards its intended listing to the Sydney Stock Exchange (**SSX**). This process is taking longer than expected, but nevertheless, the Company and the Board will continue the course to relisting on the SSX.

Disposal of the Group 91.25% interests in Shanxi Yushun Magnesium Co Ltd (SYMC)

- b) The China-based Worldcom Parkway International Trade (Tianjin) Co. Ltd and SWI have not yet agreed to an extension to meeting the conditions of the sale of the Pingyao plant. As far as the Company is aware, the parties remain willing to undertake the sale, but things have been delayed as a result of complications arising in connection with Covid-19 and the parties are unsure as to the timeline in which a sale is possible given the current climate. As an alternative, the Company is seeking legal advice and is likely to explore other buyers.

Western Australian Lithium tenements

- c) As announced to the market, CMC Lithium Pty Ltd (CMCL) was in discussions to consider a potential joint venture (JV) over a new prospective lithium tenement which is located near the CMCL's existing two tenement interests in Greenbushes Western Australia. The stakeholders have ended their discussions about this potential JV without disclosing further details and the JV is unlikely to move forward. During the quarter, CMCL noted a tenement nearby that has recently become available and has initiated steps to pursue it.

Orchard & Plantation Project Joint Venture

- d) As mentioned in the previous quarter's report, from the existing high-level agreement, further discussions between the relevant contracting parties in respect of the detailed terms of services and ancillary facilities for the distribution of agricultural products have been affected by circumstances caused by Covid-19. The Board has been advised that the situation has yet to be resolved and further negotiations have been put on hold until factors, including in relation to the commercial and economic feasibility of the project, can be reassessed by the parties in a post Covid-19 climate.

Fund Raising

- e) The Company has been in discussions regarding a way forward for funding of the Company in the near future. The Company is progressing those discussions, but considers that they are currently speculative and contingent, and in any event, are confidential. The Company will provide further updates to the market in this regard as and when developments arise.

Directors' report (cont'd)

Latest developments

- f) The Company has successfully agreed to a convertible loan, raising \$400,000 before costs on 30 March 2021.

Results

For the half-year ended 31 December 2020 the consolidated entity recorded a loss after tax from continuing operations of \$669,742 (2019: loss of \$953,265) and total comprehensive loss of \$703,467 (2019: comprehensive loss: \$940,024).

Dividends

No dividends were paid during the period and no recommendation is made as to the payment of dividends.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



Jin Thean (Jason) Teoh
Executive Director CEO

31 March 2021

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SOVRAN WHITE INTERNATIONAL LIMITED
(PREVIOUSLY CHINA MAGNESIUM CORPORATION LIMITED)**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2020, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 31st day of March 2021.

Consolidated statement of comprehensive income for the half-year ended 31 December 2020

	Note	Consolidated half-year ended	
		31 Dec 2020	31 Dec 2019
		\$	\$
Revenue from continuing operations	2	44,072	30,000
Interest income		850	560
		44,922	30,560
Allowance for credit loss	3	(30,000)	(21,334)
Share of profit/(loss) of associate	7	(43,848)	(67,817)
Asset loss on termination of office lease		(116,398)	-
Auditing and accounting expenses		(36,800)	(55,817)
Depreciation and amortisation		(5,096)	(31,998)
Employee benefits expense		(356,722)	(451,743)
Finance costs		(500)	(3,135)
Other expenses		(126,560)	(207,428)
Foreign exchange profit/(loss)		1,333	6,008
Lease interest		-	(18,230)
Lease amortisation		-	(65,109)
Travel expenses		(73)	(67,222)
		(714,664)	(983,825)
Loss before income tax		(669,742)	(953,265)
Income tax		-	-
Loss after tax from continuing operations		(669,742)	(953,265)
Loss after tax from discontinued operations		-	-
Loss after tax for the period		(669,742)	(953,265)
Other comprehensive income			
Items that may not be reclassified to profit or loss			
Foreign currency translation differences		(33,725)	13,241
Other comprehensive income for the period (net of tax)		(33,725)	13,241
Total comprehensive income for the period		(703,467)	(940,024)
Loss for the reporting period is attributable to:			
Owners of the parent		(669,742)	(953,265)
Non-controlling interests		-	-
		(669,742)	(953,265)
Total comprehensive income for reporting period is attributable to:			
Owners of the parent		(703,467)	(939,768)
Non-controlling interests		-	(256)
		(703,467)	(940,024)
Earnings per share			
Basic and diluted earnings/(loss) per share (cents per share)		(0.1)	(0.2)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 31 December 2020

		Consolidated	
	Note	31 Dec 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		211,806	309,899
Trade and other receivables	3	7,531	8,138
Inventories	4	284,014	318,317
Prepayments	5	516,104	574,796
Assets classified as held for sale	6	9,348,832	9,638,192
Total Current Assets		10,368,287	10,849,342
Non-current assets			
Property, plant and equipment		-	127,638
Right of use assets		-	5,183
Investments accounted for using equity method	7	4,750,983	4,794,831
Total Non-Current Assets		4,750,983	4,927,652
Total assets		15,119,270	15,776,994
LIABILITIES			
Current liabilities			
Trade and other payables	8	2,193,882	1,864,177
Lease liabilities		-	4,268
Employee benefits		16,789	13,294
Liabilities classified as held for sale	6	9,149,484	9,432,673
Total Current Liabilities		11,360,155	11,314,412
Total liabilities		11,360,155	11,314,412
Net assets		3,759,115	4,462,582
EQUITY			
Contributed equity	9	32,375,283	32,375,283
Reserves		3,346,363	3,380,088
Accumulated losses		(31,040,145)	(30,370,403)
Total equity attributable to owners of the parent		4,681,501	5,384,968
Non-controlling interest		(922,386)	(922,386)
Total equity		3,759,115	4,462,582

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the half-year ended 31 December 2020

	Contributed equity \$	Accumulate d losses \$	Foreign currency translation reserve \$	Change of interest in subsidiary reserve \$	Total \$	Non- controlling interest \$	Total equity \$
At 1 July 2019	31,139,843	(28,622,658)	2,910,670	518,930	5,946,785	(922,386)	5,024,399
(Loss) for the half-year	-	(953,265)	-	-	(953,265)	-	(953,265)
Other comprehensive income:							
Foreign currency translation difference	-	-	13,497	-	13,497	(256)	13,241
Total comprehensive income for the half- year	-	(953,265)	13,497	-	(939,768)	(256)	(940,024)
Transactions with owners in their capacity as owners							
Issue of shares	1,300,000	-	-	-	1,300,000	-	1,300,000
Cost of share issues	(64,560)	-	-	-	(64,560)	-	(64,560)
At 31 December 2019	32,375,283	(29,575,923)	2,924,167	518,930	6,242,457	(922,642)	5,319,815
At 1 July 2020	32,375,283	(30,370,403)	2,861,158	518,930	5,384,968	(922,386)	4,462,582
(Loss) for the half-year	-	(669,742)	-	-	(669,742)	-	(669,742)
Other comprehensive income:							
Foreign currency translation difference	-	-	(33,725)	-	(33,725)	-	(33,725)
Total comprehensive income for the half- year	-	(669,742)	(33,725)	-	(703,467)	-	(703,467)
Transactions with owners in their capacity as owners							
Issue of shares	-	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-	-
At 31 December 2020	32,375,283	(31,040,145)	2,827,433	518,930	4,681,501	(922,386)	3,759,115

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the half-year ended 31 December 2020

	Consolidated Half-year ended	
Note	31 Dec 2020 \$	31 Dec 2019 \$
Cash flows from operating activities		
Receipts from customers	14,072	250,000
Payments to suppliers and employees	(111,084)	(885,793)
Interest received	850	560
Interest and other costs of finance paid	(500)	(3,135)
Net (outflow) from continuing operations	(96,662)	(638,368)
Net (outflow) from discontinued operations	-	-
Net cash inflow/(outflow) from operating activities	<u>(96,662)</u>	<u>(638,368)</u>
Cash flows from investing activities		
Refundable due diligence fee	-	(213,636)
Net cash inflow/(outflow) from investing activities	<u>-</u>	<u>(213,636)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	1,300,000
Share issue costs	-	(64,560)
Lease capital repayment	-	(52,011)
Lease interest	-	(18,230)
Net cash inflow/(outflow) from financing activities	<u>-</u>	<u>1,165,199</u>
Net increase (decrease) in cash and cash equivalents	(96,662)	313,195
Cash and cash equivalents at the beginning of the period	309,899	294,940
Effects of exchange rate changes on the balances of cash held in foreign currencies	(1,431)	15,861
Cash and cash equivalents at the end of the period	<u>211,806</u>	<u>623,996</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Sovran White International Limited ("the Company") during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. The fair value of the consolidated entity's financial assets and liabilities approximate their carrying value.

The Company is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191, and therefore the amounts contained in this Report and the Financial Report have been rounded to the nearest Dollar.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2020 annual financial report. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2020. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2020 are the relevant policies for the purposes of comparatives.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group incurred a net loss of \$669,742 (2019: \$953,265) and an operating cash outflow of \$96,662 (2019: \$638,368) for the half year period ended 31 December 2020. At that date, the Group had a net current liability position of \$991,868 (June 2020: \$465,070).

In forming the view the Group is a going concern, the directors have assumed:

- a) the completion of the sale of its interest in SYMC;
- b) expected access to further funding – the Group has successfully agreed to a convertible loan, raising \$400,000 before costs on 30 March 2021.
- c) management services revenue commencing from the plantation associate;
- d) expected cashflow and profits arising from general trading operations

The directors concluded the circumstances surrounding the above assumptions represent a material uncertainty that casts significant doubt regarding the Company's and Group's ability to continue as a going concern and realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. Nevertheless, after considering the uncertainties above, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For those reasons, they continue to adopt the going concern basis in preparing the financial reports.

No adjustments have been made to the financial statements relating to the recoverability and classification of the assets and the carrying amounts and classification of liabilities should the director's assumptions not eventuate.

Critical Accounting Estimates and Judgements

The directors and management evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

The Group assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers.

Provision for impairment of Trade, Other Receivables and Prepayments

Included in trade and other receivables (see Note 3) at the end of the reporting period are amounts that have been fully provided for, including amount due from an associate. Nevertheless, the lawyers acting for the Group dispatched letters demanding the repayment of these outstanding trade and other receivables.

Included in prepayments (see Note 5) are advance payment for trading and refundable due diligence fee. Recently the lawyers acting for the Group dispatched letters demanding the repayment of these outstanding prepayments; the amounts are expected to be recoverable, therefore no provision is made.

Provision for impairment of Inventories

The directors and management have reviewed the steel pipes and they are expected to be sold at higher than the cost price, hence no impairment is required (see Note 4)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)Provision for impairment of Assets classified as held for sale and discontinued for sale

The directors and management have done an assessment of the carrying amount of the net assets held for sale and noted no impairment is required (see Note 6). The intention of disposing SYMC remains intact.

Provision for impairment of Investments accounted for using the equity method

The directors and management have reviewed the carrying amount of the investment in Associates and no further impairment is required for the period ended 31 December 2020 (see Note 7)

2. Revenue from continuing operations

	Dec 2020	Dec 2019
	\$	\$
Other income (a)	30,000	30,000
Government Covid-19 support	14,072	-
	44,072	30,000

The Group provides support services at \$5,000 monthly to its 21.43% associate, Sovran White Singapore International Logistics Pte Ltd. Revenue is recognised at a point in time.

3. Trade and Other Receivables

	Dec 2020	June 2020
	\$	\$
Trade debtors	395,206	395,206
Allowance for expected credit loss	(395,206)	(395,206)
	-	-
Other debtors (exclude SYMC)	468,866	439,473
Allowance for expected credit loss (net of recovery)	(461,335)	(431,335)
	7,531	8,138

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: Financial Instruments. During the half year, additional allowance for expected credit loss of \$30,000 under AASB 9 were made for amount due from an associate. Recently the lawyers acting for the Group dispatched letters demanding repayment of these outstanding trade and other receivables.

	Opening balance 1 July 2020 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 31 December 2020 \$
Trade receivables	395,206	-	-	395,206
Other receivables	11,627	-	-	11,627
Related parties	419,708	30,000	-	449,708
	826,541	30,000	-	856,541

	Opening balance 1 July 2019 \$	Net measurement of loss allowance \$	Amounts written off \$	Closing balance 30 June 2020 \$
Trade receivables	395,206	-	-	395,206
Other receivables	-	11,627	-	11,627
Related parties	380,000	89,708	(50,000)	419,708
	775,206	101,335	(50,000)	826,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Inventories

	Dec 2020 \$	June 2020 \$
Commodities – at cost	284,014	318,317
	284,014	318,317

The balance SGD300k (AUD284k) as at 31 December 2020 relates to steel pipes for trading purposes. Inventories recognised as expense during the half year ended 31 December 2020 was nil (2019 – nil).

5. Prepayments

	Dec 2020 \$	June 2020 \$
Advance payment for commodity trading (a)	187,033	209,623
Refundable due diligence fee (b)	320,454	320,454
Rental deposits	8,617	44,719
Prepayment	516,104	574,796

- (a) The advance payment of SGD200k (AUD187k) is for commodity trading that has not progressed due to circumstances caused by the Covid-19.
- (b) It relates to the refundable due diligence fee for a potential acquisition. Should the acquisition fails to materialise for whatever reasons, this fee of SGD300k (AUD320k) is expected to be refunded to the Company. Recently the lawyers acting for the Group dispatched letters demanding repayment for these prepayments in (a) and (b).

6. Assets and liabilities classified as held for sale and discontinued operation

As announced to ASX on 6 August 2019, the Group entered into a conditional Sale and Purchase Agreement (SPA) to sell its 91.25% interest in SYMC. This sale was approved by shareholders on 23 October 2019. Given the intention to dispose of SYMC, it has remained dormant without any material transactions for the current period. As such, as at 31 December 2020, SYMC represents an asset held for sale and is a discontinued operation. Revenue and expenses, gain and losses of this discontinued operation have been eliminated from the profit and loss of the Group's continuing operations and are shown as a single line item in the statement of profit or loss.

Carrying amounts of assets and liabilities of SYMC

	Dec 2020	June 2020
Property, plant and equipment	8,343,254	8,440,543
Current assets		
Inventories	77,406	79,802
Trade and other receivables	928,059	1,117,730
Cash and cash equivalents	113	117
Assets classified as held for sale	9,348,832	9,638,192
Current liabilities		
Provisions	4,253	4,385
Trade and other payables	8,148,231	8,400,687
Borrowings	997,000	1,027,601
Liabilities classified as held for sale	9,149,484	9,432,673
Net recoverable amount	199,348	205,519

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Investments accounted for using equity method

	Dec 2020 \$	June 2020 \$
A. Investment in Sovran White (S) International Logistics Pte Ltd	4,457,550	4,463,980
B. Investment in CMC Lithium Pty Ltd	293,433	330,851
	4,750,983	4,794,831

Name	Principal activities/Country of incorporation	December 2020 %	June 2020 %
A.Sovran White Singapore International Logistics Pte Ltd	Management services and distribution of produce from Plantation in China	21.43	21.43

Summarised statement of financial position

	December 2020	June 2020
Current assets	-	-
Non-current assets	21,000,000	21,000,000
Total assets	21,000,000	21,000,000
Current liabilities	198,081	168,081
Non-current liabilities	-	-
Total liabilities	198,081	168,081
Net assets	20,801,919	20,831,919

Summarised statement of profit or loss and other comprehensive income

	December 2020	December 2019
Revenue	-	-
Expenses	(30,000)	(47,175)
Profit/(loss) before income tax	(30,000)	(47,715)
Income tax expense	-	-
Profit/(loss) after income tax	(30,000)	(47,715)
Other comprehensive income	-	-
Total comprehensive income	(30,000)	(47,715)

Consolidated entity's carrying amount reconciliation

	December 2020	June 2020
Cost on initial recognition/Opening of period	4,463,980	4,482,856
Share of loss after income tax	(6,430)	(18,876)
Closing carrying amount	4,457,550	4,463,980

Update on investment in associate and key judgements for impairment

From the existing high-level agreement for the Orchard and Plantation project joint venture, further discussions between the relevant contracting parties in respect of the detailed terms of services and ancillary facilities for the distribution of agricultural products have been affected by circumstances caused by Covid-19. The Board has been advised that the situation has yet to be resolved and further negotiations have been put on hold until factors such as the commercial and economic feasibility of the project can be reassessed by the parties in a post Covid-19 climate.

The Group has not provided for any impairment, based on the understanding key stakeholders expect production assumptions to remain intact and have committed to undertake the project post Covid-19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Name	Principal activities/Country of incorporation	December 2020 %	June 2020 %
B. CMC Lithium Pty Ltd	Preliminary exploration for lithium / Australia	40%	40%

Summarised statement of financial position

	December 2020	June 2020
Current assets	381,954	471,164
Non-current assets	700,000	700,000
Total assets	1,081,954	1,171,164
Current liabilities	39,514	35,178
Non-current liabilities	-	-
Total liabilities	39,514	35,178
Net assets	1,042,440	1,135,986

Summarised statement of profit or loss and other comprehensive income

	December 2020	December 2019
Revenue	-	-
Expenses	(93,546)	(104,542)
Profit/(loss) before income tax	(93,546)	(104,542)
Income tax expense	-	-
Profit/(loss) after income tax	(93,546)	(104,542)
Other comprehensive income	-	-
Total comprehensive income	(93,546)	(104,542)

Consolidated entity's carrying amount reconciliation

	December 2020	June 2020
Opening carrying amount	330,851	554,645
Impairment	-	(140,000)
Share of loss after income tax	(37,418)	(83,794)
Closing carrying amount	293,433	330,851

Update on investment in associate and key judgements for impairment

Recently, this 40% associate was considering a potential joint venture (JV) over a new tenement (also for lithium), which is located near the existing two tenements in Greenbushes Western Australia. The stakeholders have ended their discussions about this potential JV without disclosing further details.

During the quarter, CMCL noted a tenement nearby that has recently become available and has initiated steps to pursue it. In view of the aforesaid pursuit, the current project on the existing two tenements has been on hold. If the Associate decides not to continue with exploration activities for the current tenements valued at \$700k, the Company take the position that there is a potential impairment on the carrying value of the tenements. Taking a prudent position, the existing impairment of \$140K has been maintained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**8. Trade and Other Payables**

	Dec 2020	June 2020
	\$	\$
Other payables and accruals	2,193,882	1,864,177
	<u>2,193,882</u>	<u>1,864,177</u>

Current other payables and accruals are balances mainly relating to directors, employees and consultants. The Group has sought professional advice and is expected to resolve these arrears pursuant to an ongoing restructuring exercise.

9. Contributed equity

	Consolidated	Consolidated	Consolidated	Consolidated
	Dec 2020	June 2020	Dec 2020	June 2020
	Shares	Shares	\$	\$
Share capital				
Ordinary shares fully paid	505,771,888	505,771,888	32,375,283	32,375,283

During the half year, the company issued nil (2019: 43,333,332) ordinary shares.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Shares in escrow

There were no shares in escrow at 31 December 2020 (2019: nil).

10. Segment reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors in assessing performance and determining the allocation of resources. Operating segments are determined on the basis of financial information reported to the board at the Group level.

Accordingly, management currently identifies the Group as having only one reportable segment, being the trading of commodities which may include food and metal related.

During the half-year, the Group equity accounted the results of two associates; CMC Lithium Pty Ltd which is involved in the lithium exploration in Western Australia and Sovran White (Singapore) International Logistics Pte Ltd (SWL) which is involved in distribution of produce from a Plantation project in China.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

12. Contingencies and Commitments

There are no contingencies and capital commitments as at 31 December 2020.

13. Events subsequent to half year

The Company has successfully agreed to a convertible loan, raising \$400,000 before costs on 30 March 2021.

No other matter or circumstance has occurred subsequent to half year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

Directors' declaration

In the opinion of the directors:

- (a) The attached interim financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and the performance for the half-year ended on that, and
 - ii) Complying with Australian Accounting Standard AASB 134 Interim Financial Reporting;
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Jin Thean (Jason) Teoh
Executive Director CEO
31 March 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SOVRAN WHITE INTERNATIONAL LIMITED
(PREVIOUSLY CHINA MAGNESIUM CORPORATION LIMITED)****Report on the Half-Year Financial Report****Qualified Conclusion**

We have reviewed the accompanying half-year financial report of Sovran White International Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, except for the qualification noted below, we have not become aware of any matter that makes us believe that the half-year financial report of the group is not in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Qualification - Assets and Liabilities (Relating to Shanxi Yushun Magnesium Co. Ltd (SYMC)) Held for Sale

With respect to the group's share of assets and liabilities of SYMC (the disposal group) being held for sale as disclosed in Note 6 to the financial report, we are unable to gather sufficient appropriate audit evidence for us to determine if their carrying amounts were fairly stated and whether any adjustments were necessary due to limited access to the underlying financial records and/or information of the disposal group. In addition, the previous audit qualification regarding the balances and transactions of SYMC reported as at 30 June 2020 remained as we were unable to determine whether any adjustments were necessary to be made in respect of those comparative figures due to limited access to prior year underlying financial records and/or information.

Emphasis of Matter:-

Without qualification to the opinion expressed above, we draw attention to:-

a) Material Uncertainty Related to Going Concern,

As detailed in Note 1, the Group has reported a net loss of \$609,742 and a net current liability of \$991,868 for the half year ended 31 December 2020. Based on the cash flow forecast for the next 12 months, the directors of the Group are confident there will be sufficient cash flow to meet the group's liabilities as and when they become due and payable. Notwithstanding this, as reported in Note 1, there is a material uncertainty of the group achieving these funding outcomes and hence whether the Group will continue as a going concern for a minimum period of the next 12 months from the date of this report. Should the Group be unable to continue as a going concern, it may be required to further realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SOVRAN WHITE INTERNATIONAL LIMITED
(PREVIOUSLY CHINA MAGNESIUM CORPORATION LIMITED) (CONTINUED)**

Emphasis of Matter:- (continued)

b) *Material Uncertainty Related to Carrying Value of the Investment in Sovran White (Singapore) International Logistics Pte Ltd (SWL),*

As detailed in Note 7(a), the progression of SWL's underlying Orchard and Plantation Joint Venture has been affected by circumstances caused by COVID-19 and a reassessment of commercial and economic feasibility of the joint venture is anticipated post COVID-19. These conditions indicate the existence of material uncertainty in respect of the valuation of the management right assigned to SWL in 2019. In the event the actual economic events and conditions affecting the project in future are materially different from those expected by the Group, this may impact on the carrying value of the Group's investment in SWL.

Basis of Opinion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditors Responsibilities for the Review of the Financial Report section of our Report.

Directors' Responsibility for the Half-Year Financial Report

The directors of the group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the group's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SOVRAN WHITE INTERNATIONAL LIMITED
(PREVIOUSLY CHINA MAGNESIUM CORPORATION LIMITED) (CONTINUED)**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the group, would be in the same terms if provided to the directors as at the time of this auditor's review report.



WEN-SHIEN CHAI
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 31st day of March 2021.