

SARAMANIS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

Interim Financial Report

APPENDIX 3 - INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2020

Result for Announcement to the Market

Reporting Period: Half year from 1 January 2020 to 30 June 2020

Previous Corresponding Period: Half year from 1 January 2019 to 30 June 2019

Key Information

		Half-year Ended 30 June 2020
		\$
Revenue from ordinary activities	Increased 1% to	41,948
Loss after tax from ordinary activities	Reduced 1% to	(297,942)
Loss attributable to members of the parent	Reduced 1% to	(297,942)

There were no dividends paid or proposed during the period ended in June 2020.

Explanation of Key Information

On 13 January 2020, Saramanis Limited reduced its shareholding interest in Superior Sutera Sdn Bhd from 80% to 40% for a nominal consideration.

On 6 March 2020, the Company issued 14,783,075 fully paid ordinary shares (at an issue price of \$0.016 per share) valued at \$236,529 in consideration for a loan issued during the year from an existing shareholder.

On 4 June 2020, two new wholly owned subsidiary companies; Future Farmers Sdn Bhd and Future Yield Sdn Bhd were incorporated.

The Group's revenue for the 6 months ended 30 June 2020 was \$41,948 which was flat compared to the 30 June 2019 half year period. Saramanis Seedlings Sdn Bhd being the main operational company reported a 6 months loss after tax of \$191,167. During the same period, Saramanis Sdn Bhd and Saramanis Limited being the investment holding companies in Malaysia and Australia respectively, incurred total expenses of \$75,464 and Saramanis TGM Sdn Bhd, Saramanis Agropine Sdn Bhd, Saramanis Pacific Sdn Bhd, Future Farmers Sdn Bhd and Future Yield Sdn Bhd incurred total expenses of \$23,629 mainly due to ongoing company half yearly expenses as well as ongoing NSX expenses. This contributed to a group net loss of \$297,942 for the half year ended 30 June 2020.

The performance of the Group was impacted by Movement Control Order (MCO) enforced by Malaysian Government combatting the COVID 19 pandemic. As such, the revenue of the group for the first 6 months of this year was flat compared to the previous period and the operational costs has increased resulting in higher losses. The Group expects revenue to decrease in the remaining period of 2020 when to the previous corresponding period resulted of MCO effect.

Net Tangible Assets per Share

Half-year Ended 30 June 2020	Half-year Ended 30 June 2019
cents/Share	cents/Share
(0.28)	(0.28)

SARAMANIS LIMITED AND CONTROLLED ENTITIES

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Dividend Reinvestment Plans

The Group does not have any dividend reinvestment plans.

Review of Financials

The attached financial statements have been reviewed for the period ended 30 June 2020. The review report is attached at page 18 which is an unmodified review opinion, which includes a Material Uncertainty Paragraph Related to Going Concern

Attachment

The half year financial report of Saramanis Limited and its controlled entities is attached.

SARAMANIS LIMITED AND CONTROLLED ENTITIES

Interim Financial Report
For the Year Ended
30 June 2020

SARAMANIS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

DIRECTOR'S REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting Saramanis Limited and its controlled entities for the half year ended 30 June 2020.

Directors

The names of directors who held office during or since the end of the half-year:

Datu Robert Lian BALANGALIBUN

Jason Tze Yun JONG

Anson Fucong QIAO

Gee Pun TONG

Principal Activities

The Group principally engages in the business of cultivating and supplying pineapple seedlings in Malaysia and other agricultural products such as coconut and durian.

Review of Operations

On 13 January 2020, Saramanis Limited reduced its shareholding interest in Superior Sutera Sdn Bhd from 80% to 40% for a nominal consideration.

On 6 March 2020, the Company issued 14,783,075 fully paid ordinary shares (at an issue price of \$0.016 per share) valued at \$236,529 in consideration for a loan issued during the year from an existing shareholder.

On 4 June 2020, two new 100% owned subsidiary companies of Future Farmers Sdn Bhd and Future Yield Sdn Bhd were incorporated.

The Group's revenue for the 6 months ended 30 June 2020 was \$41,948 which was flat compared to the 30 June 2019 half year period. Saramanis Seedlings Sdn Bhd being the main operational company reported a 6 months loss after tax of \$191,167. During the same period, Saramanis Sdn Bhd and Saramanis Limited being the investment holding companies in Malaysia and Australia respectively, incurred total expenses of \$75,464 and Saramanis TGM Sdn Bhd, Saramanis Agropine Sdn Bhd, Saramanis Pacific Sdn Bhd, Future Farmers Sdn Bhd and Future Yield Sdn Bhd incurred total expenses of \$23,629 mainly due to ongoing company half yearly expenses as well as ongoing NSX expenses. This contributed in a group net loss of \$297,972 for the half year ended 30 June 2020.

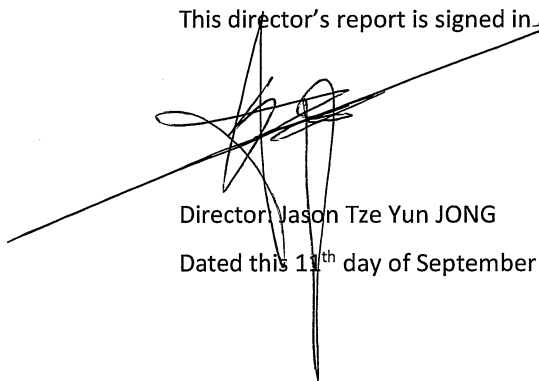
The performance of Group was impacted by Movement Control Order (MCO) enforced by Malaysian Government fighting COVID 19 pandemic. As such, the revenue of the group for the first 6 months of this year was flat compared to the previous period but the operation cost has increased resulting in higher losses. The Group expects revenue to decrease in the remaining period of 2020 when to the previous corresponding period resulted of MCO effect.

SARAMANIS LIMITED AND CONTROLLED ENTITIES
A.C.N 603108925

Auditor's Independence Declaration

The lead auditor's independence declaration pursuant to Section 307C of the Corporations Act 2001 is set out on page 6

This director's report is signed in accordance with a resolution of the Board of Directors.



Director Jason Tze Yun JONG

Dated this 11th day of September 2020, Malaysia

**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SARAMANIS LIMITED**

We declare that, to the best of our knowledge and belief, during the half year ended 30 June 2020 there have been:

- (i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.


Walker Wayland NSW
Chartered Accountants


Wali Aziz
Partner

Dated this 11th day of September 2020
Sydney

SARAMANIS LIMITED AND CONTROLLED ENTITIES
A.C.N 603108925

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE HALF-YEAR ENDED 30 JUNE 2020**

	Note	Consolidated Group	
		Half-year Ended	Half-year Ended
		30-Jun-20	30-Jun-19
		\$	\$
Revenue from continuing operations			
Sales revenue		41,948	41,270
Interest income		111	12
Revaluation on biological assets		60,319	69,889
Total Revenue		102,378	111,171
Expenses from continuing operations			
Cost of goods sold		(101,544)	(119,658)
Employee and contractor expense		(75,257)	(60,238)
Depreciation expense		(30,724)	(32,749)
Depreciation over right use of assets		(26,690)	(22,319)
Professional fees		(78,325)	(78,466)
Director's other emoluments		(31,902)	(25,920)
Petrol, parking and tolls		(11,322)	(13,051)
Upkeep of machinery		(19,042)	(6,943)
Upkeep of motor vehicles		(12,486)	(9,483)
Lease interest over leased assets		(1,191)	(899)
Lease interest over right use of assets		(11,505)	(15,098)
Impairment of receivables write back / (provision)		-	10,613
Other expenses		(332)	(27,427)
Total expenses		(400,320)	(410,253)
Loss before income tax		(297,942)	(299,082)
Income tax benefit		-	-
Loss from continuing operations		(297,942)	(299,082)
Loss for the period		(297,942)	(299,082)
Other comprehensive income			
Movement in the foreign currency translation reserve		18,111	11,380
Other comprehensive income for the period, net of tax		18,111	11,380
Total comprehensive loss for the period, net of tax		(279,831)	(287,702)

SARAMANIS LIMITED AND CONTROLLED ENTITIES
A.C.N 603108925

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE HALF-YEAR ENDED 30 JUNE 2020**

	Consolidated Group	
	Half-year Ended	Half-year Ended
	30-Jun-20	30-Jun-19
	\$	\$
Loss attributable to:		
- members of the parent entity	(297,702)	(298,762)
- outside equity interests	(240)	(320)
	<u>(297,942)</u>	<u>(299,082)</u>
Total comprehensive loss attributable to:		
- members of the parent entity	(279,591)	(287,382)
- outside equity interests	(240)	(320)
	<u>(279,831)</u>	<u>(287,702)</u>
Earnings per share		
From continuing and discontinued operations:		
- Basic earnings per share (cents)	(0.07)	(0.07)
- Diluted earnings per share (cents)	(0.07)	(0.07)

SARAMANIS LIMITED AND CONTROLLED ENTITIES
A.C.N 603108925

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		Consolidated Group	
	Note	As at 30-Jun 2020 \$	As at 31-Dec 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	68,171	104,065
Trade receivables	3	5,158	6,661
Inventories		12,333	12,337
Biological Assets	4	349,762	258,055
Other Assets		28,159	45,018
Tax assets	10	28,319	-
TOTAL CURRENT ASSETS		491,902	426,136
NON-CURRENT ASSETS			
Property, plant and equipment	5	241,744	276,144
Right of use assets	6	116,907	145,810
TOTAL NON-CURRENT ASSETS		358,651	421,954
TOTAL ASSETS		850,553	848,090
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	121,636	131,038
Loans and borrowings	8	1,690,312	1,403,031
Lease liabilities	9	58,195	66,627
Tax liabilities	10	-	205,390
TOTAL CURRENT LIABILITIES		1,870,143	1,806,086
NON-CURRENT LIABILITIES			
Lease liabilities	9	86,994	105,286
TOTAL NON-CURRENT LIABILITIES		86,994	105,286
TOTAL LIABILITIES		1,957,137	1,911,372
NET LIABILITIES		(1,106,584)	(1,063,282)
SHAREHOLDERS' DEFICIENCY			
Issued capital	11	3,413,560	3,177,031
Accumulated losses		(4,858,258)	(4,558,559)
Minority interest		(2,916)	(4,673)
Foreign currency translation reserve		341,030	322,919
TOTAL DEFICIENCY		(1,106,584)	(1,063,282)

SARAMANIS LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Ordinary Share Capital \$	Accumulated losses \$	Foreign Currency Translation Reserve \$	Minority Interest \$	Total \$
Balance at 1 January 2019	2,451,029	(3,720,368)	349,833	(4,428)	(923,934)
Comprehensive income					
Loss for the period, net of tax	-	(298,762)	-	(320)	(299,082)
Foreign currency translation	-	-	11,380	-	11,380
Total comprehensive loss for the period, net of tax	-	(298,762)	11,380	(320)	(287,702)
Transfer from acquisition of minority interest	-	(4,748)	-	4,748	-
Balance at 30 June 2019	2,451,029	(4,023,878)	361,213	-	(1,211,636)
Balance at 1 January 2020	3,177,031	(4,558,559)	322,919	(4,673)	(1,063,282)
Comprehensive income					
Loss for the period, net of tax	-	(297,702)	-	(240)	(297,942)
Foreign currency translation	-	-	18,111	-	18,111
Total comprehensive loss for the period, net of tax	-	(297,702)	18,111	(240)	(279,831)
Issue of capital	236,529	-	-	-	236,529
Transfer from acquisition of minority interest	-	(1,997)	-	1,997	-
Balance at 30 June 2020	3,413,560	(4,858,258)	341,030	(2,916)	(1,106,584)

SARAMANIS LIMITED AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Notes	Half-Year Ended 30 June 2020 \$	Half-Year Ended 30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		60,199	63,060
Payments to suppliers and employees		(392,194)	(434,332)
Interest received		111	12
Interest paid		(12,696)	(900)
Income tax paid		(228,762)	(235,361)
Net cash used in operating activities		(573,342)	(607,521)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,480)	(35,244)
Net cash used in investing activities		(1,480)	(35,244)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from related parties loan		519,054	635,327
Net proceeds / (repayment) from lease		26,724	16,082
Net cash provided by financing activities		545,778	651,409
NET (DECREASE) / INCREASE IN CASH HELD		(29,044)	8,644
Cash and cash equivalents at beginning of period		104,065	31,746
Effects of changes in exchange rates		(6,850)	(5,665)
Cash and cash equivalents at end of period	12	68,171	34,725

SARAMANIS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 30 June 2020 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the annual financial statements of Saramanis Limited and its controlled entities (referred to as the “consolidated group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2019, together with any public announcements made during the half-year.

These interim financial statements were authorised for issue on 11th September 2020.

b. Going Concern Basis of Accounting

The Group has incurred a loss after tax for the period of \$297,942 (30 June 2019: loss of \$299,082). The Group has also incurred operating cash outflow of \$573,342 (30 June 2019: cash outflow of \$607,521). As at 30 June 2020 the Group has net current asset deficiency of \$1,378,241 (31 December 2019: deficiency of \$1,379,950). Saramanis Seedlings Sdn Bhd has experienced a flat in revenue compared to the 30 June 2019 half-year period as performance was impacted by Movement Control Order (MCO) enforced by Malaysian Government fighting COVID 19 pandemic. As such, the revenue of the group for the first 6 months of this year was flat compared to the previous period but the operation cost has increased resulting in higher losses. The Group expects revenue to decrease in the remaining period of 2020 when to the previous corresponding period resulted of MCO effect.

The above matters give rise to material uncertainties that casts significant doubt over the Group’s ability to continue as a going concern.

The continuing viability of the Group and its ability to meet its debts and commitments as they fall due is dependent upon the Group being successful in all of the following areas:

- Further funding to be obtained from new or existing shareholders to assist with the repayment of short-term liabilities as and when they fall due,
- Generating positive cash flows from operational activities,
- The ability of the new management team to be successful in pineapple plantations,
- The repayment of the loans from Directors and Shareholders amounting to \$1,690,312 as at 30 June 2020 to be deferred until the Group has sufficient cash reserves.

Should the Group not achieve either or all of the above, this may impact the Group’s ability to continue as a going concern, Going Concern may be impacted and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

Notwithstanding the above, the Directors’ have received a letters of ongoing financial support from two major shareholders and management have prepared detailed cash flow forecasts for the Group for the period to 31 December 2022 (which assumes funding provided from shareholders) and a detailed business plan, which indicates an improvement in operational performance resulting from pineapple plantation sales.

SARAMANIS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b. Going Concern Basis of Accounting (cont.)

Accordingly, the directors believe that the Group is working towards positive outcomes in the matters referred to above and that the group will be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the financial report has been prepared on a going concern basis.

In the event that the Group does not achieve the conditions stated by the Directors, the ability of the Company and therefore the Group to continue as a Going Concern may be impacted and therefore the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Group and company not continue as going concerns.

c. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

NOTE 2: DIVIDENDS

No dividends have been paid or declared during the period.

SARAMANIS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 3: TRADE RECEIVABLE

	30 June 2020	31 Dec 2019
	\$	\$
CURRENT		
Trade receivable	5,158	6,661

NOTE 4: BIOLOGICAL ASSETS

	30 June 2020	31 Dec 2019
	\$	\$
Coconut, at fair value	73,610	40,038
Pineapple, at fair value	426,050	328,612
	499,660	368,650
Less: Impairment provision	(149,898)	(110,595)
	349,762	258,055

SARAMANIS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	30 June 2020	31 Dec 2019
	\$	\$
Plant and equipment		
At cost	260,584	266,878
Accumulated depreciation	(175,158)	(165,078)
	<u>85,426</u>	<u>101,800</u>
 Motor Vehicles		
At cost	55,778	56,715
Accumulated depreciation	(53,420)	(53,883)
	<u>2,358</u>	<u>2,832</u>
 Office Equipment, furniture and fittings		
At cost	56,286	56,907
Accumulated depreciation	(26,110)	(23,845)
	<u>30,176</u>	<u>33,062</u>
 Leasehold improvements		
At cost	230,187	235,693
Accumulated depreciation	(106,403)	(97,243)
	<u>123,784</u>	<u>138,450</u>
 Total Property, Plant & Equipment	<u>241,744</u>	<u>276,144</u>

NOTE 6: RIGHT OF USE ASSETS

	30 June 2020	31 Dec 2019
	\$	\$
Leasehold land		
At cost	232,474	238,192
Accumulated depreciation	(131,294)	(109,864)
	<u>101,180</u>	<u>128,328</u>
 Machinery		
At cost	21,446	21,975
Accumulated depreciation	(5,719)	(4,493)
	<u>15,727</u>	<u>17,482</u>
 Total Right of Use Assets	<u>116,907</u>	<u>145,810</u>

SARAMANIS LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 7: TRADE AND OTHER PAYABLES

	30 June 2020	31 Dec 2019
	\$	\$
CURRENT		
Unsecured liabilities:		
Trade payables	6,745	17,930
Sundry payables and accrued expenses	114,891	113,108
	<u>121,636</u>	<u>131,038</u>

NOTE 8: LOANS AND BORROWINGS

		30 June 2020	31 Dec 2019
		\$	\$
CURRENT	Notes		
Loans from Directors – unsecured	(i)	61,641	56,885
Loan from shareholders – unsecured	(ii)	1,628,671	1,346,146
		<u>1,690,312</u>	<u>1,403,031</u>

- (i) Loans from directors are unsecured, non-interest bearing and no fixed payments terms.
- (ii) This liability pertains to a loan from Wong Mei Kwan (shareholder) and Wong Siew Chun (shareholder), amounting to RM1,710,580 (AUD582,281) and RM3,074,000 (AUD1,046,390) respectively as at 30 June 2020. These liabilities are unsecured, non-interest bearing and have no fixed payment terms. On 6 March 2020, the Company issued 14,783,075 fully paid ordinary shares (at an issue price of \$0.016 per share) valued at \$236,529 in consideration for a loan issued during the year from Wong Mei Kwan.

NOTE 9: LEASE LIABILITIES

	30 June 2020	31 Dec 2019
	\$	\$
CURRENT		
Lease liabilities over right of use assets	<u>58,195</u>	<u>66,627</u>
NON CURRENT		
Lease liabilities over right of use assets	<u>86,994</u>	<u>105,286</u>

Where lease liabilities were taken for plant and equipment, these lease liabilities are secured by the underlying leased assets.

SARAMANIS LIMITED AND CONTROLLED ENTITIES

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 10: CURRENT TAX ASSETS / (LIABILITIES)

	30 June 2020	31 Dec 2019
	\$	\$
Income tax assets / (liabilities)	28,319	(205,390)

On 22 January 2018, the Group has entered into a consent judgement with the Malaysian Tax Authorities to pay the income tax arising from the years of assessment of 2013 and 2014 over a period of 31 months from January 2018 until July 2020. In accordance with the repayment plan, a monthly instalment of RM100,000 is payable until 30 June 2020 with the last instalment of RM77,609 payable on 31 July 2020. The last instalment was fully settled on 16 July 2020.

On 29 August 2018, the Group has entered into a consent judgement with the Malaysian Tax Authorities to pay the income tax arising from the year of assessment of 2015 over a period of 23 months from September 2018 until July 2020. In accordance with the repayment plan, a monthly instalment of RM10,000 is payable until 15 June 2020 with the last instalment of RM10,907.48 payable on 15 July 2020. The last instalment was fully settled on 13 July 2020.

On 30 June 2020, the tax liabilities are RM88,516 (RM77,609 and RM10,907), in addition the Group have made advance tax instalment of RM171,710 resulting in tax receivable of RM83,194.

NOTE 11: ISSUED CAPITAL

	30 June 2020	31 Dec 2019
	No.	No.
Ordinary shares on issue		
Balance at beginning of the period	425,966,500	383,260,500
Issue of share on 6 March 2020	14,783,075	-
Issue of shares 1 July 2019	-	42,706,000
Balance at end of the period	440,749,575	425,966,500
	\$	\$
Balance at beginning of the period	3,177,031	2,451,029
Issue of share on 6 March 2020 at \$0.016	236,529	-
Issue of share on 1 July 2019 at \$0.017	-	726,002
Balance at end of the period	3,413,560	3,177,031

On 6 March 2020, the Company issued 14,783,075 fully paid ordinary share valued at \$236,529 in consideration for a loan issued during the year from an existing shareholder.

SARAMANIS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2020

NOTE 12: CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows are made up as follows

	30 June 2020	31 Dec 2019
	\$	\$
Cash and cash equivalents	<u>68,171</u>	<u>104,065</u>

NOTE 13: CONTINGENT ASSETS AND LIABILITIES

There have been no changes to contingent assets and liabilities since the last annual reporting period.

NOTE 14: EVENTS OCCURING AFTER BALANCE SHEET DATE

No other matters have arisen since 30 June 2020 that have significantly affected the Group operations in future financial years, the result of those operations in future financial years or the Group state of affairs in future financial years.

NOTE 15: RELATED PARTY TRANSACTIONS

The following transaction occurred with related parties

- Transaction with director, refer to Note 8
- Hiring charges paid to director – Jason Jung Tze Yun amounted to \$6,441 (2019: \$ 12,502)
- Loan from shareholder – Wong Mei Kwan amounted to \$582,281 (2019: \$661,103)
- Loan from shareholder – Wong Siew Chun amounted to \$1,046,390 (2019: \$685,043)
- Loan from director – Tong Gee Pun amounted to \$47,656 (2019: \$48,832)
- Loan from director – Jason Jong Tze Yun amounted to \$13,985 (2019: \$ 8,053)

Loan from shareholders and directors are non-interest bearing, unsecured and have no fixed payment terms and are on arms length terms and conditions that are favourable to the Group.

Apart from the above there are no other transactions with director related entities.

NOTE 16: OPERATING SEGMENTS

The Group has only one (1) reportable business segment, which is the pineapple plantation in Sarawak, Malaysia.

SARAMANIS LIMITED AND CONTROLLED ENTITIES

A.C.N 603108925

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of Saramanis Limited, the directors of the company declare that;

1. The financial statements and notes, as set out on pages 7 to 18, are in accordance with the *Corporations Act 2001*, including;

- a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
- b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date.

2. In the director's opinion there are reasonable grounds to believe that the company and consolidated entity will be able to pay their debts as and when they become due and payable.



Jason Tze Yun JONG
Director

Dated this 11th day of September 2020
Malaysia

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
SARAMANIS LIMITED**

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Saramanis Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a description of significant accounting policies, other selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Saramanis Limited 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 30 June 2020 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty regarding Going Concern

Without modifying our conclusion, we draw attention to the following matter. As a result of the matters disclosed in Note 1b) "Going Concern basis of accounting" of the financial report, there are material uncertainties that cast significant doubt as to whether the Group can continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The ability of the Group to continue as a going concern is dependent upon the Group being successful in all of the following areas:

- a) management being successful in operating pineapple plantations in order to generate adequate sales to derive positive cash flows from operational activities in future periods,
- b) obtaining continued financial support from directors and shareholders and/or receiving funds from the issue of ordinary shares, and

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

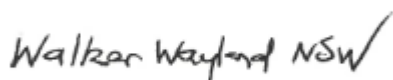
Auditor's Responsibility

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 Standard on Review Engagements *ASRE 2410 Review of a Financial Report 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 presented fairly, in all material respects, in accordance with the *Corporations Act 2001*. As the auditor of Saramanis Limited, 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.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.



Walker Wayland NSW
Chartered Accountants



Wali Aziz
Partner

Dated this 11th day of September 2020
Sydney