

# SARAMANIS LIMITED AND ITS CONTROLLED ENTITIES

## A.C.N. 603 108 925

### PRELIMINARY FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1. Results for announcement to the market

Reporting Period: 1 January 2020 – 31 December 2020

Previous Corresponding Period: 1 January 2019 – 31 December 2019

#### 2. Key Information

	Year ended 31 Dec 2020 \$	Year ended 31 Dec 2019 \$	% change
Revenue from ordinary activities	354,378	283,028	25.2
Loss after tax from ordinary activities attributable to members	(843,587)	(817,754)	-3.2
Net loss attributable to members	(843,587)	(817,754)	-3.2

There were no dividends paid or proposed during the year ended 31 December 2020

#### 3. Financial Result

During the year, Saramanis Limited disposed of its remaining shareholding in Superior Sutera Sdn bhd for a nominal consideration and on 4 June 2020 incorporated two new wholly owned subsidiaries being Saramanis CPPC Sdn Bhd (Formerly known as Future Farmers Sdn Bhd) and Saramanis Farming Solution Sdn Bhd (Formerly known as Future Yield Sdn Bhd).

With effect from 13 January 2021, the following subsidiaries have changed their name.

New Name	Previous Name
Saramanis Cultivation and Biotechnology Sdn Bhd	Saramanis Seedlings Sdn Bhd
Saramanis CPPC Sdn Bhd	Future Farmers Sdn Bhd
Saramanis Farming Solution Sdn Bhd	Future Yield Sdn Bhd
Saramanis Plantation Ventures Sdn Bhd	Saramanis Agropines Sdn Bhd

Saramanis Cultivation and Biotechnology Sdn Bhd (Formerly known as Saramanis Seedlings Sdn Bhd) being the operating subsidiary company, recorded operating revenue of RM288,070 (\$99,355) and a loss after taxation of RM168,502 (\$58,116) for the year ended 31 December 2020, as compared to its preceding year's corresponding period operating revenue of RM215,102 (\$74,705) and loss after tax of RM605,734 (\$210,371). Conversion of Profit and loss items has been performed using the average rate for the year to 31 December 2020 of 1AUD to 0.3449MYR (1AUD to 0.3473MYR for the year 31 December 2019).

The higher revenue recorded in the current financial year was mainly due to the higher sales in pineapple cultivation and fair value gain on biological assets.

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The above operating results of Saramanis Cultivation and Biotechnology Sdn Bhd (Formerly known as Saramanis Seedlings Sdn Bhd) included a write back provision in relation to intercompany receivables in 2020 amounting to RM1,258,177 (\$433,946) and in 2019 of RM1,224,105 (\$425,132).

The normalised (excluding the write back of provision) operating results of Saramanis Cultivation and Biotechnology Sdn Bhd (Formerly known as Saramanis Seedlings Sdn Bhd) shows a slight decrease in losses from RM1,829,839 (\$635,503) in 2019 to RM1,426,679 (\$492,062) in 2020.

During the same period, Saramanis Limited being the ultimate investment holding company incurred total loss of \$1,434,012 due to ongoing company expenses of \$174,013 and provision for impairment of investments in subsidiaries of \$1,259,999. This resulted in group net losses before tax of \$843,587 for the year ended 31 December 2020.

#### **4. Operations Review**

Previously the operation of the Group was affected by deteriorating business environment for rubber seedlings due to lower demand and compression in profit margins. The slowdown in the demand for rubber seedlings have significantly impacted on the Group as we depended heavily on this product. The performance was further compounded by the weak financials of the Group. From mid-2017, Management decided to change the principal activities to pineapple cultivation that have brighter prospects and an outlook to improve the performance of Group.

For 2019, the operation of the Group was the cultivation of pineapple on a 100-acre site in Miri, Sarawak and 37.825 hectares site in Tanjung Manis, Mukah, Sarawak. The plantation performance is still difficult despite improving year by year.

#### **5. Net Tangible Assets Per share**

	<b>Year Ended 31 December 2020 Cents / Share</b>	<b>Year Ended 31 December 2019 Cents / Share</b>
<b>Net Tangible Asset Per share</b>	(0.15)	(0.28)

#### **6. Dividend**

There was no dividend paid or proposed for the year ended 31 December 2020.

#### **7. Dividend reinvestment Plan**

The Group does not have any dividend reinvestment plan.

#### **8. Attachments**

The statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flow of Saramanis Limited and its controlled entities are attached.

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#### 9. Interest in subsidiaries

##### Information about newly incorporated and disposed subsidiaries in 2020

Name	Date of Incorporation
Saramanis CPPC Sdn Bhd (Formerly known as Future Farmers Sdn Bhd)	4 June 2020
Saramanis Farming Solution Sdn Bhd (Formerly known as Future Yield Sdn Bhd)	4 June 2020
Name	Date of Disposal
Superior Sutera Sdn Bhd	14 December 2020

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Saramanis Cultivation and Biotechnology Sdn Bhd	Saramanis Seedlings Sdn Bhd
Saramanis CPPC Sdn Bhd	Future Farmers Sdn Bhd
Saramanis Farming Solution Sdn Bhd	Future Yield Sdn Bhd
Saramanis Plantation Ventures Sdn Bhd	Saramanis Agropines Sdn Bhd

The subsidiaries listed below have share capital consisting solely of ordinary shares or which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		2019	2018
		%	%
Saramanis Sdn Bhd	Malaysia	100	100
Saramanis Cultivation and Biotechnology Sdn Bhd	Malaysia	100	100
Saramanis Plantation Venture Sdn Bhd	Malaysia	100	100
Saramanis TGM Sdn Bhd	Malaysia	100	100
Saramanis Pacific Sdn Bhd	Malaysia	100	100
Saramanis CPPC Sdn Bhd	Malaysia	100	-
Saramanis Farming Solution Sdn Bhd	Malaysia	100	-
Superior Sutera Sdn Bhd	Malaysia	-	80

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

#### 10. Audit Status

The preliminary financial report is based on the financial statement which are in the process of being audited by Walker Wayland NSW and an unmodified opinion is expected to be issued with a 'Material uncertainty regarding going concern' paragraph.

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### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
REVENUE FROM CONTINUING OPERATIONS			
Sales revenue		100,702	76,639
Other income		253,676	206,389
<b>TOTAL REVENUE</b>		<b>354,378</b>	<b>283,028</b>
EXPENSES FROM CONTINUING OPERATIONS			
Cost of sales of goods		(351,973)	(306,137)
Employee and contractor costs		(146,405)	(131,701)
Directors' other emoluments		(70,282)	(70,720)
Professional fees		(176,922)	(145,641)
NSX Listing fees		(59,110)	(68,229)
Depreciation and amortisation		(61,706)	(67,392)
Depreciation on right use of assets		(59,680)	(48,219)
Doubtful debts provision		(13,376)	-
Bad debts written off		-	(2,976)
Provision of impairment in biological assets		(133,586)	(110,595)
Travelling, accommodation and entertainment		(50,543)	(69,382)
Upkeep of machinery and motor vehicle		(30,834)	(28,295)
Lease interest over leased liabilities		(22,973)	(27,431)
Other expenses from ordinary activities		(20,575)	(24,064)
<b>TOTAL EXPENSES</b>		<b>(1,197,965)</b>	<b>(1,100,782)</b>
<b>LOSS BEFORE INCOME TAX</b>		<b>(843,587)</b>	<b>(817,754)</b>
Income tax benefit (expense)		-	-
<b>NET LOSS FOR THE YEAR</b>		<b>(843,587)</b>	<b>(817,754)</b>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income / (loss) – translation of foreign subsidiaries		26,769	(26,914)
<b>TOTAL OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>26,769</b>	<b>(26,914)</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(816,818)</b>	<b>(844,668)</b>

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### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

	Notes	2020 \$	2019 \$
<b>Net (loss) attributable to:</b>			
Members of the parent entity		(843,587)	(812,735)
Outside equity interests		-	(5,019)
		<u>(843,587)</u>	<u>(817,754)</u>
 <b>Total comprehensive (loss) attributable to:</b>			
Members of the parent entity		(816,818)	(839,649)
Outside equity interests		-	(5,019)
		<u>(816,818)</u>	<u>(844,668)</u>
 <b>Earnings per share</b>			
Basic earnings per share – cents per share		(0.19)	(0.20)
Diluted earnings per share – cents per share		(0.19)	(0.20)

**SARAMANIS LIMITED AND ITS CONTROLLED ENTITIES**  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Notes	Consolidated Group	
		2020	2019
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		27,166	104,065
Trade and other receivables		4,461	6,661
Inventories		15,574	12,337
Biological assets		244,182	258,055
Other assets		39,235	45,018
<b>TOTAL CURRENT ASSETS</b>		<b>330,618</b>	<b>426,136</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		230,436	276,144
Right of use assets		148,776	145,810
<b>TOTAL NON-CURRENT ASSETS</b>		<b>379,212</b>	<b>421,954</b>
<b>TOTAL ASSETS</b>		<b>709,830</b>	<b>848,090</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		142,577	131,038
Loans and borrowings		995,391	1,403,031
Lease liability over use of assets		70,696	66,627
Tax liabilities		-	205,390
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,208,664</b>	<b>1,806,086</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability over use of assets		98,347	105,286
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>98,347</b>	<b>105,286</b>
<b>TOTAL LIABILITIES</b>		<b>1,307,011</b>	<b>1,911,372</b>
<b>NET LIABILITIES</b>		<b>(597,181)</b>	<b>(1,063,282)</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Issued capital		4,459,950	3,177,031
Accumulated losses		(5,406,819)	(4,558,559)
Minority interest		-	(4,673)
Foreign currency translation reserve		349,688	322,919
<b>TOTAL DEFICIENCY</b>		<b>(597,181)</b>	<b>(1,063,282)</b>

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Contributed equity	Accumulated losses	Foreign currency Reserves	Minority interest	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 January 2019</b>	<b>2,451,029</b>	<b>(3,720,368)</b>	<b>349,833</b>	<b>(4,428)</b>	<b>(923,934)</b>
Initial application of IFRS 16	-	(20,682)			(20,682)
Loss for the period	-	(812,735)	-	(5,019)	(817,754)
Foreign Currency Translation	-	-	(26,914)	-	(26,914)
Total comprehensive loss	-	(833,417)	(26,914)	(5,019)	(865,350)
Issue of capital	726,002	-	-	-	726,002
Transfer from acquisition of minority interest	-	(4,774)	-	4,774	-
<b>Balance at 31 December 2019</b>	<b>3,177,031</b>	<b>(4,558,559)</b>	<b>322,919</b>	<b>(4,673)</b>	<b>(1,063,282)</b>
Loss for the year	-	(843,587)	-	-	(843,587)
Foreign Currency Translation	-	-	26,769	-	26,769
Total comprehensive loss	-	(843,587)	(26,769)	-	(816,818)
Issue of capital	1,282,919	-	-	-	1,282,919
Transfer from acquisition of minority interest	-	(4,673)	-	4,673	-
<b>Balance at 31 December 2020</b>	<b>4,459,950</b>	<b>(5,406,819)</b>	<b>349,688</b>	<b>-</b>	<b>(597,181)</b>

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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from operating activities		108,885	175,126
Payments to suppliers and employees		(722,159)	(849,751)
Payment to lease over right of use assets		(68,770)	(66,059)
Income tax paid		(205,390)	(487,720)
Net cash used for operating activities		(887,433)	(1,228,404)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net payments for property, plant and equipment		(15,998)	(33,504)
Net payment for right of use assets		(62,646)	-
Proceed from sales of subsidiary		3,449	-
Net cash provided by / (used for) investing activities		(75,195)	(33,504)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds / (repayment) of lease liabilities		20,103	(4,147)
Proceeds from of related parties loan		867,720	1,339,509
Net cash provided by financing activities		887,823	1,335,362
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>			
Cash and cash equivalent at beginning of financial period		104,065	31,746
Effects of foreign exchange rate on cash		(2,094)	(1,135)
<b>CASH AT THE END OF THE PERIOD</b>		<b>27,166</b>	<b>104,065</b>



**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

KUALA LUMPUR MALAYSIA

14 MAY 2021

1pm AUSTRALIA EASTERN TIME

AEST

31 MARCH 2021

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

- ☐ The financial statements have been audited.
- ☐ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
- ☒ The financial statements are in the process of being audited or subject to review.
- ☐ The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications ~~are attached~~ will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)

6. The issuer ~~has~~/does not have\* (*delete one*) a formally constituted audit committee.

Sign here: ..... Date: 15 MARCH 2021  
(Director/Company secretary)

Print name: JASON JONG TZE YUN