

SARAMANIS LIMITED AND ITS CONTROLLED ENTITIES

A.C.N. 603 108 925

PRELIMINARY FINANCIAL REPORT FOR HALF YEAR ENDED 30 JUNE 2021

1. Results for announcement to the market

Reporting Period: 1 January 2021 – 30 June 2021

Previous Corresponding Period: 1 January 2020 – 30 June 2021

2. Key Information

| | Half-Year ended 30 June 2021 \$ | Half-Year ended 30 June 2020 \$ | % change |
|---|---------------------------------------|---------------------------------------|----------|
| Revenue from ordinary activities | 50,876 | 41,948 | +1 |
| Loss after tax from ordinary activities | (413,086) | (297,942) | -1 |
| Net loss attributable to members | (413,086) | (297,702) | -1 |

There were no dividends paid or proposed during the half year ended 30 June 2021

3. Financial Result

On 14 December 2020, Saramanis Limited disposed its shareholding interest in Superior Sutera Sdn Bhd 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 13 January 2021, two new wholly owned subsidiary companies; Saramanis CPPC Sdn Bhd (Formerly known as Future Farmers Sdn Bhd) and Saramanis Farming Solution Sdn Bhd (Formerly known as Future Yield Sdn Bhd) changed their name.

The Group's revenue for the 6 months ended 30 June 2021 was \$50,876 which was flat compared to the 30 June 2020 half year period. Saramanis Seedlings Sdn Bhd being the main operational company reported a 6 months loss after tax of \$298,878. During the same period, Saramanis Sdn Bhd and Saramanis Limited being the investment holding companies in Malaysia and Australia respectively, incurred total expenses of \$50,392 and Saramanis TGM Sdn Bhd, Saramanis Agropine Sdn Bhd, Saramanis Pacific Sdn Bhd, Saramanis CPPC Sdn Bhd and Saramanis Farming Solution Sdn Bhd incurred total expenses of \$81,773 mainly due to ongoing company half yearly expenses as well as ongoing NSX expenses. This contributed to a group net loss of \$114,208 for the half year ended 30 June 2021.

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 compared to the previous corresponding period resulted of MCO effect.

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4. Operations Review

On 14 December 2020, Saramanis Limited disposed its shareholding interest in Superior Sutera Sdn Bhd 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 13 January 2021, two new 100% owned subsidiary companies of Saramanis CPPC Sdn Bhd (Formerly known as Future Farmers Sdn Bhd) and Saramanis Farming Solution Sdn Bhd (Formerly known as Future Yield Sdn Bhd) were changed the name.

The Group's revenue for the 6 months ended 30 June 2021 was \$50,876 which was flat compared to the 30 June 2020 half year period. Saramanis Seedlings Sdn Bhd being the main operational company reported a 6 months loss after tax of \$298,878. During the same period, Saramanis Sdn Bhd and Saramanis Limited being the investment holding companies in Malaysia and Australia respectively, incurred total expenses of \$50,392 and Saramanis TGM Sdn Bhd, Saramanis Agropine Sdn Bhd, Saramanis Pacific Sdn Bhd, Saramanis CPPC Sdn Bhd and Saramanis Farming Solution Sdn Bhd incurred total expenses of \$81,773 mainly due to ongoing company half yearly expenses as well as ongoing NSX expenses. This contributed in a group net loss of \$413,086 for the half year ended 30 June 2021.

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 2021 when compared to the previous corresponding period resulted of MCO effect.

5. Net Tangible Assets Per share

| | Half-Year Ended 30 June 2021 Cents / Share | Half-Year Ended 30 June 2020 Cents / Share |
|------------------------------|--|--|
| Net Tangible Asset Per share | (0.10) | (0.28) |

6. Dividend

There was no dividend paid or proposed for the half year ended 30 June 2021

7. Dividend reinvestment Plan

The Group does not have any dividend reinvestment plan.

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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.

9. Interest in subsidiaries

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 | |
|---------------------------------------|-----------------------------|--------------------------------------|------|
| | | 2021 | 2020 |
| | | % | % |
| Saramanis Sdn Bhd | Malaysia | 100 | 100 |
| Saramanis Seedlings Sdn Bhd | Malaysia | 100 | 100 |
| Saramanis Plantation Ventures 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 | 100 |
| Saramanis Farming Solution Sdn Bhd | Malaysia | 100 | 100 |

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. Review Status

The preliminary half year financial report is based on the half year financial statement which are in the process of being reviewed.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2021

| | Notes | Half-Year ended 30 June 2021 \$ | Half-Year ended 30 June 2020 \$ |
|--|-------|--|--|
| REVENUE FROM CONTINUING OPERATIONS | | | |
| Sales revenue | | 50,876 | 41,948 |
| Interest Income | | 44 | 111 |
| Revaluation on biological assets | | - | 60,319 |
| TOTAL REVENUE | | 50,920 | 102,378 |
| EXPENSES FROM CONTINUING OPERATIONS | | | |
| Cost of sales of goods | | (177,894) | (101,544) |
| Employee and contractor costs | | (65,729) | (75,257) |
| Directors' other emoluments | | (25,608) | (31,902) |
| Depreciation and amortisation | | (31,138) | (30,724) |
| Depreciation on right use of assets | | (35,278) | (26,690) |
| Professional fees | | (107,444) | (78,325) |
| Petrol, parking and tolls | | (5,999) | (11,322) |
| Upkeep of machinery | | (5,541) | (19,042) |
| Upkeep of motor vehicles | | (8,267) | (12,486) |
| Lease interest over leased assets | | (2,771) | (1,191) |
| Lease interest over right use of assets | | (6,845) | (11,505) |
| Impairment loss on financing assets | | 10,850 | |
| Other expenses from ordinary activities | | (2,342) | (332) |
| TOTAL EXPENSES | | (464,006) | (400,320) |
| LOSS BEFORE INCOME TAX | | (413,086) | (297,942) |
| Income tax benefit (expense) | | - | - |
| NET LOSS FOR THE YEAR | | (413,086) | (297,942) |
| OTHER COMPREHENSIVE INCOME | | | |
| Other comprehensive income – translation of foreign subsidiaries | | (44,023) | 18,111 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | | (44,023) | (18,111) |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | (457,109) | (279,831) |

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR HALF YEAR ENDED 30 JUNE 2021 (CONTINUED)

| | Half-Year ended 30 June 2021 | Half-Year ended 30 June 2020 |
|--|------------------------------------|------------------------------------|
| Notes | \$ | \$ |
| Net (loss) attributable to: | | |
| Members of the parent entity | (413,086) | (297,702) |
| Outside equity interests | - | (240) |
| | <u>(413,086)</u> | <u>(297,942)</u> |
| Total comprehensive (loss) attributable to: | | |
| Members of the parent entity | (457,109) | (279,591) |
| Outside equity interests | - | (240) |
| | <u>(457,109)</u> | <u>(279,831)</u> |
| Earnings per share | | |
| Basic earnings per share – cents per share | (0.08) | (0.07) |
| Diluted earnings per share – cents per share | (0.08) | (0.06) |

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

| | Consolidated Group | |
|--------------------------------------|-----------------------------|----------------------------|
| Notes | As at 30 June 2021 \$ | As at 31 Dec 2020 \$ |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 12,456 | 27,166 |
| Trade and other receivables | 1,271 | 4,461 |
| Inventories | 16,196 | 15,574 |
| Biological assets | 270,008 | 244,182 |
| Other assets | 34,659 | 39,235 |
| Tax assets | 3,867 | |
| TOTAL CURRENT ASSETS | 388,457 | 330,618 |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 202,024 | 230,436 |
| Right of use assets | 194,221 | 148,776 |
| TOTAL NON-CURRENT ASSETS | 396,245 | 379,212 |
| TOTAL ASSETS | 734,702 | 709,830 |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 138,311 | 142,577 |
| Loans and borrowings | 1,451,192 | 995,391 |
| Lease liabilities | 86,737 | 70,696 |
| TOTAL CURRENT LIABILITIES | 1,676,240 | 1,208,664 |
| NON-CURRENT LIABILITIES | | |
| Loan and borrowings | 112,752 | 98,347 |
| TOTAL NON-CURRENT LIABILITIES | 112,752 | 98,347 |
| TOTAL LIABILITIES | 1,788,992 | 1,307,011 |
| NET LIABILITIES | (1,054,290) | (597,181) |
| SHAREHOLDERS' DEFICIENCY | | |
| Issued capital | 4,459,950 | 4,459,950 |
| Accumulated losses | (5,819,905) | (5,406,819) |
| Minority interest | - | - |
| Foreign currency translation reserve | 305,665 | 349,688 |
| TOTAL DEFICIENCY | (1,054,290) | (597,181) |

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR HALF YEAR ENDED 30 JUNE 2021

| | Contributed equity | Accumulated losses | Foreign currency Reserves | Minority interest | Total |
|---|-----------------------|-----------------------|---------------------------------|----------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 January 2020 | 3,177,031 | (4,558,559) | 322,919 | (4,673) | (1,063,282) |
| Loss for the period | - | (297,702) | - | (240) | (297,942) |
| Foreign Currency Translation | - | - | 18,111 | - | 18,111 |
| Total comprehensive loss | - | (297,702) | 18,111 | (240) | (279,831) |
| Issue of capital | 236,529 | - | - | - | 236,529 |
| Minority interest | - | (1,997) | - | 1,997 | - |
| Balance at 30 June 2020 | 3,413,560 | (4,858,258) | 341,030 | (2,916) | (1,106,584) |
| Balance at 1 January 2021 | 4,459,950 | 5,406,819 | 349,688 | - | (597,181) |
| Loss for the year | - | (413,086) | - | - | (413,086) |
| Foreign Currency Translation | - | - | (44,023) | - | (44,023) |
| Total comprehensive loss | - | (413,086) | (44,023) | - | (457,109) |
| Issue of capital | - | - | - | - | - |
| Transfer from acquisition of minority interest | - | - | - | - | - |
| Balance at 30 June 2021 | 4,459,950 | (5,819,905) | 305,665 | - | (1,054,290) |

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2021

| | Half-Year ended 30 June 2021 | Half-Year ended 30 June 2020 |
|---|---------------------------------|---------------------------------|
| Note | \$ | \$ |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Receipts from operating activities | 55,602 | 60,199 |
| Payments to suppliers and employees | (1,236,950) | (405,911) |
| Interest received | 44 | 111 |
| Interest paid | (9,616) | (12,696) |
| Income tax paid | - | (228,762) |
| Net cash used for operating activities | <u>(1,190,920)</u> | <u>(587,060)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (78,644) | (1,480) |
| Net cash provided by / (used for) investing activities | <u>(78,644)</u> | <u>(1,480)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from of related parties loan | 1,244,633 | 519,054 |
| Repayment from of borrowings | 6,746 | 26,724 |
| Net cash provided by financing activities | <u>1,251,379</u> | <u>545,778</u> |
| NET INCREASE/(DECREASE) IN CASH HELD | (18,185) | (42,762) |
| Cash and cash equivalent at beginning of financial period | 27,166 | 104,065 |
| Effects of foreign exchange rate on cash | (3,475) | (6,850) |
| CASH AT THE END OF THE PERIOD | <u>12,456</u> | <u>68,171</u> |

Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place

NO. 2, SETIA RAJA ROAD, 98000 MIRI, SARAWAK

Date

29 OCTOBER 2021

Time

11.00am (local Malaysian time)

Approximate date the annual report will be available

13 OCTOBER 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

| |
|--|
| |
|--|

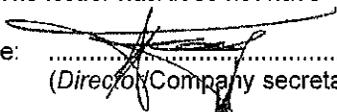
2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~ *(delete one)* give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which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


(Director/Company secretary)

Date: 13 september 2021

Print name: JASON JONG TZE YUN