

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.

SARAMANIS LIMITED AND ITS CONTROLLED ENTITIES

A.C.N. 603 108 925

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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A.C.N. 603 108 925

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.

SARAMANIS LIMITED AND ITS CONTROLLED ENTITIES**A.C.N. 603 108 925****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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A.C.N. 603 108 925

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

	Notes	Half-Year ended 30 June 2021 \$	Half-Year ended 30 June 2020 \$
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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A.C.N. 603 108 925

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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A.C.N. 603 108 925

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

	Note	Half-Year ended 30 June 2021 \$	Half-Year ended 30 June 2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities		55,602	60,199
Payments to suppliers and employees		(1,236,950)	(405,91)
Interest received		44	111
Interest paid		(9,616)	(12,696)
Income tax paid		-	(228,762)
Net cash used for operating activities		(1,190,920)	(587,060)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(78,644)	(1,480)
Net cash provided by / (used for) investing activities		(78,644)	(1,480)
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		1,251,379	545,778
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			
		12,456	68,171

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