



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	47%	to	45
(Loss) from ordinary activities after tax attributable to members	Down	25%	to	(716)
(Loss) for the period attributable to members	Down	25%	to	(716)

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

The financial report is being reviewed by the auditors.

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 \$716k (compared with a loss of \$953k in the prior period) could be mainly attributable to the ongoing cost containment exercise.

Compliance Statement

This report comprises the information as required by Listing rule 4.2A.3. The financial report is being reviewed by the external auditors. In response to circumstances caused by Covid-19, ASIC has extended the deadline by one month for listed entities to lodge their financial reports under the Corporation Act. ASX similarly decided on a class waiver to give effect to the extended reporting and lodgement deadlines. The Company is relying on the ASIC relief to extend the lodgement date for the reviewed accounts and will immediately make a further announcement to the market if there is a material difference between its unreviewed and its reviewed half year accounts.



Jin Thean (Jason) Teoh
Executive Director CEO

26 February 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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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		(30,000)	(21,334)
Share of profit/(loss) of associate	4	(43,848)	(67,817)
Asset loss on termination of office lease		(116,399)	-
Auditing and accounting expenses		(36,800)	(55,817)
Depreciation and amortisation		(5,096)	(31,998)
Employee benefits expense		(357,063)	(451,743)
Finance costs		(500)	(3,135)
Other expenses		(172,934)	(207,428)
Foreign exchange profit/(loss)		1,333	6,008
Lease interest		-	(18,230)
Lease amortisation		-	(65,109)
Travel expenses		(73)	(67,222)
		(761,380)	(983,825)
Loss before income tax		(716,458)	(953,265)
Income tax		-	-
Loss after tax from continuing operations		(716,458)	(953,265)
Loss after tax from discontinued operations		-	-
Loss after tax for the period		(716,458)	(953,265)
Other comprehensive income			
Items that may not be reclassified to profit or loss			
Foreign currency translation differences		(30,503)	13,241
Other comprehensive income for the period (net of tax)		(30,503)	13,241
Total comprehensive income for the period		(746,961)	(940,024)
Loss for the reporting period is attributable to:			
Owners of the parent		(716,458)	(953,265)
Non-controlling interests		-	-
		(716,458)	(953,265)
Total comprehensive income for reporting period is attributable to:			
Owners of the parent		(746,961)	(939,768)
Non-controlling interests		-	(256)
		(746,961)	(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		7,531	8,138
Inventories		284,014	318,317
Prepayments		516,104	574,796
Assets classified as held for sale	3	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	4	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		2,237,376	1,864,177
Lease liabilities		-	4,268
Employee benefits		16,789	13,294
Liabilities classified as held for sale	3	9,149,484	9,432,673
Total Current Liabilities		11,403,649	11,314,412
Non-current liabilities			
Lease liabilities		-	-
Trade and other payables		-	-
Borrowings		-	-
Total Non-Current Liabilities		-	-
Total liabilities		11,403,649	11,314,412
Net assets		3,715,621	4,462,582
EQUITY			
Contributed equity	5	32,375,283	32,375,283
Reserves		3,350,125	3,380,088
Accumulated losses		(31,086,861)	(30,370,403)
Total equity attributable to owners of the parent		4,638,547	5,384,968
Non-controlling interest		(922,926)	(922,386)
Total equity		3,715,621	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	-	(716,458)	-	-	(716,458)	-	(716,458)
Other comprehensive income:							
Foreign currency translation difference	-	-	(30,503)	-	(30,503)	-	(30,503)
Total comprehensive income for the half- year	-	(716,458)	(30,503)	-	(746,961)	-	(746,961)
Transactions with owners in their capacity as owners							
Issue of shares	-	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-	-
At 31 December 2020	32,375,283	(31,086,861)	2,830,655	518,930	4,638,007	(922,386)	3,715,621

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	37,922	250,000
Payments to suppliers and employees	(134,934)	(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	310,011	294,940
Effects of exchange rate changes on the balances of cash held in foreign currencies	(1,543)	15,861
Cash and cash equivalents at the end of the period	<u><u>211,806</u></u>	<u><u>623,996</u></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.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments became effective for periods beginning on or after 1 January 2018. AASB 16 Leases became effective for periods beginning on or after 1 January 2019. The Group had early adopted AASB 15 and AASB 16 in the full year financial statements ended 30 June 2018 as such there has been no change in the accounting policies relating to these standards for this interim period. The Group applied AASB 9 from 1 July 2018, which was for the year ended 30 June 2019.

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 \$716,458 (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 \$1,035,362 (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;
- c) management services revenue commencing from the plantation associate;
- d) expected cashflow and profits arising from general trading operations

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are:

- (a) The use of that going concern basis of accounting is appropriate
- (b) The Company considered the factors stated in AASB 128 to determine whether there is objective evidence of impairment in the net investment of its associates. Taking a prudent position, an impairment of \$140K from the previous period has been maintained.
- (c) Although a delay in SYMC disposal is expected due to circumstances beyond our control such as the coronavirus, the Company will continue to complete this transaction. Until the transaction is concluded, the Company is understood to have control of SYMC.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. Revenue from continuing operations

	2020 \$	Consolidated December 2019 \$
Other income (a)	30,000	30,000
Government Covid-19 support	14,072	-
	<u>44,072</u>	<u>30,000</u>

- (a) The Group provides support services at \$5,000 monthly to its 21.43% associate, Sovran White Singapore International Logistics Pte Ltd.

3. Assets classified as held for sale and discontinued operation

As announced to ASX on 6 August 2019, the Company 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	December 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	<u>9,348,832</u>	<u>9,638,192</u>
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	<u>9,149,484</u>	<u>9,432,673</u>
Net recoverable amount	<u>199,348</u>	<u>205,519</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Investment in associates

	2020 \$	June 2020 \$
Investment in Sovran White (S) Intrenational Logistics Pte Ltd	4,457,550	4,463,980
Investment in CMC Lithium Pty Ltd	293,433	330,851
	<u>4,750,983</u>	<u>4,794,831</u>

Name	Principal activities/Country of incorporation	December 2020 %	June 2020 %
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	<u>4,457,550</u>	<u>4,463,980</u>

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 Company 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 %
CMC Lithium Pty Ltd	Preliminary exploration for lithium / Australia	40%	40%
Summarised statement of financial position		December 2020	June 2020
Current assets		381,955	471,164
Non-current assets		700,000	700,000
Total assets		1,081,955	1,171,164
Current liabilities		35,702	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		470,851	554,645
Impairment		(140,000)	(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)**5. Contributed equity**

	Consolidated		Consolidated	
	2020	6/2020	2020	6/2020
	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).

6. 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.

7. Significant events and transactions

The Group obtained shareholders approval for the SYMC disposal on 23 October 2019. The Company is negotiating with the buyer to extend the time to satisfy the conditions precedent for the sale from 29 February 2020 to a later time, factoring the current status in obtaining requisite shareholder and regulatory approvals. The Company will look to find alternative buyer in the event that no agreement is satisfactorily reached for the extension of time. However, this has also been hampered by the circumstances caused by Covid-19.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. 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.

9. Contingencies and Commitments

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

10. Events subsequent to half year

The Board is exploring fund raising options and will make an announcement when it is in a position to do so.

Mr Peter Tay retired and ceased to be a director at the conclusion of the AGM on 29 January 2021. A new director will be appointed as soon as relevant matters have been finalized.

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.