



2017

OCEANIA NATURAL LIMITED

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017



OCEANIA NATURAL LIMITED

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# OCEANIA NATURAL LIMITED

## CHAIRMAN'S REVIEW

### FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

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Dear Shareholders

Today Oceania Natural Limited ("ONL") is releasing the results for the six months ended 30 September 2017, a period focused on realigning the business and product range to sell through various sales channels developed through China and New Zealand. This period has seen management focus on new business opportunities that will allow the Company to achieve greater sales, during what has been a slow start to the financial year.

#### Manuka Honey & Manuka Bonds

In January 2017, ONL indicated that Manuka honey was no longer a key product and that the company was looking at alternate products to market and export to China. While ONL continues to receive enquiries for Manuka honey, pricing remains under pressure and demand is lacking. ONL will however evaluate each enquiry upon its merits until such time as existing inventories are sold.

ONL is no longer actively promoting nor accepting Manuka Bonds, given the impact of the change in selling prices into its export markets. Bulk honey may be sold or used to supply New Zealand customers. Currently, Manuka bondholder's investments mature from February 2018 onwards.

#### New products

In August 2017, ONL invested in a water bottling and manufacturing facility, following trials of export product to China. During the six months ended 30 September 2017, 23 containers of water have been exported as part of ONL's strategy to expand its product range in its largest market, and in response to the demand for "clean water".

Feedback is encouraging and ONL is now looking to further invest and upgrade the facility in order to increase export volumes to maximize the opportunity for both the New Zealand and Chinese summer periods. ONL is currently in discussions with the plant's tenant and local brand owner of bottled water, concerning future partnerships., ONL will update the market once these discussions approach conclusion.

#### China Update

The China based subsidiary, Oceania Natural Wuxi Limited ("ONL Wuxi") continued to sell into new sales channels and distribution partners. ONL Wuxi will continue to on-sells product through their platforms and channels into this market. Having worked closely with these new partners, ONL now has a better understanding of what products are in demand, together with geographical variations, and can now look to satisfy this demand.

ONL will look to secure additional product in order to meet traditional strong selling seasons in China for Christmas, Gregorian New Year, Chinese New Year and Valentine's Day.

#### Beyond China

During the six months ended 30 September 2017, ONL Noni juice was shipped to Japan, Korea and Singapore. These markets continue to grow, albeit off a low base, and remain key to grow export markets, and ONL has identified a key products for its future growth.

#### Looking forward

The demand for ONL keystone products, Noni juice and water, continues to build due to ONL's investment and physical presence in China, via ONL Wuxi. In addition, by exploring new distributor networks and new sales channels ONL's future will be secured in a growing market with an insatiable demand for quality products sourced from ethical suppliers.

Consistent with the positioning of ONL as a "Food and Beverage" company, ONL has entered into discussions with Jiangnan University and Wuxi Food Technology Park to conduct research into Noni juice. This research will identify the optimal processing methodology to maximise the functionality and benefits of ONL's Noni juice. Once complete ONL's new partners will facilitate the registration of ONL's Noni juice, with the Chinese Food and Drug Administration. Registration will enable substantiated claims to be made for ONL's Noni juice to enable it to be sold as both a functional food and a medical food, the latter enabling approved sales, into a large number of hospitals in China.



OCEANIA NATURAL LIMITED  
CHAIRMAN'S REVIEW  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

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We thank you for your ongoing support for Oceania Natural Limited,

Yours sincerely

**OCEANIA NATURAL LIMITED**

A handwritten signature in black ink, appearing to be 'Wei Zhong', written over a horizontal line.

Wei Zhong  
**Chairman**



# OCEANIA NATURAL LIMITED

## UNAUDITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Note	Unaudited 6 months ended 30 September 2017 \$	Unaudited 6 months ended 30 September 2016 \$
Revenue		333,134	1,057,918
Cost of sales		(254,551)	(692,432)
Gross profit		78,583	365,486
Other income		-	269
Distribution costs		(54,096)	1,836
Administrative expenses		(838,632)	(730,050)
<b>Loss before finance costs and income tax</b>		<b>(814,145)</b>	<b>(362,459)</b>
Interest income		204	1,925
Interest and finance charges		(134,014)	(22,398)
<b>Net finance costs</b>		<b>(133,810)</b>	<b>(20,473)</b>
<b>Loss before income tax</b>		<b>(947,955)</b>	<b>(382,932)</b>
Income tax (expense)/credit		(26,322)	106,766
<b>Loss for the period</b>		<b>(974,277)</b>	<b>(276,166)</b>
<b>Other comprehensive (loss)/income</b>			
Items that may be subsequently reclassified to profit or loss			
Change in foreign currency translation reserve		13,248	(107,777)
Other comprehensive income after tax		-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(961,029)</b>	<b>(383,943)</b>
<b>Loss for the period attributable to:</b>			
- Equity holders of the Company		(809,469)	(316,528)
- Non-controlling interest		(164,808)	40,362
		<b>(974,277)</b>	<b>(276,166)</b>
<b>Total comprehensive (loss)/income for the period attributable to:</b>			
- Equity holders of the Company		(796,221)	(424,305)
- Non-controlling interest		(164,808)	40,362
		<b>(961,029)</b>	<b>(383,943)</b>
<b>Earnings per share</b>			
<b>Basic and Diluted (cents)</b>	4	<b>(3.10)</b>	<b>(1.21)</b>

The attached notes form part of and are to be read in conjunction with the Financial Statements.

# OCEANIA NATURAL LIMITED

## UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

### Attributable to shareholders of the Company

	Note	Share capital \$	Retained earnings / (Accumulated losses) \$	Foreign currency translation reserve	Total \$	Non- controlling interest \$	Total equity \$
<b>Balance as at 1 April 2016</b>		1,756,587	117,130	-	1,873,717	-	1,873,717
<b>Total comprehensive income for the period</b>							
Loss for the period		-	(316,528)	-	(316,528)	40,362	(276,166)
<b>Other comprehensive income:</b>		-	-	-	-	-	-
Change in foreign currency translation reserve		-	-	(107,777)	(107,777)	-	(107,777)
Total other comprehensive income		-	-	(107,777)	(107,777)	-	-
<b>Total comprehensive income for the period</b>		-	(316,528)	(107,777)	(424,305)	40,362	(383,943)
<b>Transactions with owners, recorded directly in equity</b>							
Issue of ordinary shares		827,872	-	-	827,872	-	827,872
<b>Total transactions with owners of the Company</b>		827,872	-	-	827,872	-	827,872
Non-controlling interest acquired in Oceania Natural Asia Limited		-	-	-	-	3,566,537	3,566,537
<b>Balance at 30 September 2016</b>		2,584,459	(199,398)	(107,777)	2,277,284	3,606,899	5,884,183
<b>Balance at 1 April 2017</b>		2,584,412	(889,235)	(74,760)	1,620,417	3,639,087	5,259,504
<b>Total comprehensive income for the period</b>							
Loss for the period		-	(809,469)	-	(809,469)	(164,808)	(974,277)
<b>Other comprehensive income:</b>							
Change in foreign currency translation reserve				13,248	13,248	-	13,248
Total other comprehensive income		-	-	13,248	13,248	-	13,248
<b>Total comprehensive income for the period</b>		-	(809,469)	13,248	(796,221)	(164,808)	(961,029)
<b>Transactions with owners, recorded directly in equity</b>							
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	-
Non-controlling interest funds introduced		-	-	-	-	600,000	600,000
<b>Balance at 30 September 2017</b>		2,584,412	(1,698,704)	(61,512)	824,196	4,074,279	4,898,475

The attached notes form part of and are to be read in conjunction with the Financial Statements.

# OCEANIA NATURAL LIMITED

## UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

		Unaudited as at	Audited as at
		30 September 2017	31 March 2017
	Note	\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		644,393	1,480,844
Trade and other receivables		2,339,972	2,988,758
Inventories		1,823,298	1,547,258
Other current assets		194,632	144,197
<b>Total current assets</b>		<b>5,002,295</b>	<b>6,161,057</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	2,105,149	107,431
Intangible assets		370,288	383,205
Bartercard assets		111,026	114,567
Deferred tax assets		148,739	175,061
<b>Total non-current assets</b>		<b>2,735,202</b>	<b>780,264</b>
<b>Total assets</b>		<b>7,737,497</b>	<b>6,941,321</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		124,531	281,006
Loans and borrowings	7	1,949,346	326,025
Taxation payable		(16,513)	118,160
Other current liabilities		146,179	255,386
<b>Total current liabilities</b>		<b>2,203,543</b>	<b>980,577</b>
<b>Non-current liabilities</b>			
Loans and borrowings	7	635,479	701,240
<b>Total non-current liabilities</b>		<b>635,479</b>	<b>701,240</b>
<b>Total liabilities</b>		<b>2,839,022</b>	<b>1,681,817</b>
<b>Net assets</b>		<b>4,898,475</b>	<b>5,259,504</b>
<b>Equity</b>			
Share capital	5	2,584,412	2,584,412
Retained earnings/(accumulated losses)		(1,698,704)	(889,235)
Foreign currency translation reserve		(61,512)	(74,760)
Non-controlling interests		4,074,279	3,639,087
<b>Total equity</b>		<b>4,898,475</b>	<b>5,259,504</b>

For and on behalf of the Board of Directors who approved these consolidated interim financial statements for issue on 30 November 2017.

  
 Wei Zhong  
 Executive Chairman/Chief Executive Officer

  
 Ross Keeley  
 Independent Director

The attached notes form part of and are to be read in conjunction with the Financial Statements.

OCEANIA NATURAL LIMITED  
 UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS  
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

	Unaudited 6 months ended 30 September 2017 \$	Unaudited 6 months ended 30 September 2016 \$
<b>Cash flows from operating activities</b>		
Cash receipts from customers	981,920	368,713
Cash paid to suppliers	(1,715,175)	(2,568,707)
Interest received	204	1,925
Interest and other finance costs paid	(134,014)	(22,398)
Taxation paid	(134,673)	-
<b>Net cash outflow from operating activities</b>	<b>(1,001,738)</b>	<b>(2,220,467)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,006,585)	(798)
Cash inflow from assets disposal	-	-
<b>Net cash outflow from investing activities</b>	<b>(2,006,585)</b>	<b>(798)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	1,557,560	(78,525)
Repayment of loans and borrowings	-	-
Proceeds from non-controlling interest	600,000	3,566,537
Proceeds from issue of share capital	-	827,872
<b>Net cash inflow from financing activities</b>	<b>2,157,560</b>	<b>4,315,884</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(850,763)</b>	<b>2,094,619</b>
Cash and cash equivalents at the beginning of year	1,480,844	461,365
Effect of exchange rate fluctuations on cash held	14,312	(4,165)
<b>Cash and cash equivalents at the end of year</b>	<b>644,393</b>	<b>2,551,819</b>

The attached notes form part of and are to be read in conjunction with the Financial Statements.

UNAUDITED RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

Unaudited 6 months ended 30 September 2017 \$	Unaudited 6 months ended 30 September 2016 \$
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**Cash Flows from operating activities**

Loss for the year	(974,277)	(276,166)
<b>Add/(Less) non-cash items:</b>		
Depreciation of property, plant and equipment	8,867	7,109
Amortisation of intangible assets	12,917	15,000
Movement of Bartercard trade dollars	3,541	18,355
Movement in net deferred tax assets	26,322	(3,500)
Movement in foreign currency translation reserve	13,248	(107,777)
Foreign exchange differences on operating activities	(14,312)	4,165
<b>Add/(less) movements in working capital</b>		
Trade and other receivables	648,786	(689,474)
Inventories	(276,040)	(930,153)
Other current assets	(50,435)	(94,307)
Trade and other payables	(156,475)	(46,800)
Taxation payable	(134,673)	(94,541)
Other current liabilities	(109,207)	(22,378)
<b>Net cash outflows from operating activities</b>	<b>(1,001,738)</b>	<b>(2,220,467)</b>

The attached notes form part of and are to be read in conjunction with the Financial Statements.



# OCEANIA NATURAL LIMITED

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

### FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

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#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### (a) General Information

Oceania Natural Limited (the "Group") and its subsidiaries (together, the "Group") are predominantly engaged in the wholesale business of providing honey products, Noni juice, water products and dietary supplements.

The reporting entity is Oceania Natural Limited (the "Group" or "ONL"). It is profit oriented and incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 and the NXT Board Listing Rules.

The Group's registered office is at Unit G2, 59 Apollo Drive, Albany, Auckland 0632, New Zealand.

These unaudited condensed financial statements were authorised for issue by the Board of Directors dated 30 November 2017.

##### (b) Basis of Preparation

The unaudited condensed interim financial statements for the six months ended 30 September 2017 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and NZ IAS 34, Interim Financial Reporting. In complying with NZ IAS 34, these condensed interim financial statements also comply with IAS 34 interim financial reporting.

These condensed interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements of Oceania Natural Limited and its subsidiaries for the financial year ended 31 March 2017, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

The unaudited condensed financial statements for the Group are presented in New Zealand dollars (\$), which is the functional currency of the Group.

##### (c) Changes in Accounting Policies and Disclosures

There have been no changes in accounting policies since the last Annual Report, for detailed accounting policies please refer to Note 1 in the 2017 Annual Report.

#### 2. SEGMENT REPORTING

For management purposes, the Group's operating segments have primarily been determined regarding the markets where goods are sold and reflect the structure and internal reporting used by the Directors, as the chief operating decision maker, and to assist strategic decision-making and allocation of resources.

The below operating segments have been identified:

- New Zealand segment – Provision of honey, noni juice, water and dietary supplement products to customers from within New Zealand.
- Overseas segment – Provision of honey, noni juice, water and dietary supplement products to China customers through foreign subsidiaries.

The Group evaluates segmental performance based on profit and loss before income tax from operations calculated in accordance with NZ IFRS.

Cost of goods sold are based on actual cost incurred in each market.

Segment assets and liabilities are based on the geographical location of the assets and liabilities as reported to the chief operating decision maker at a segment level.

# OCEANIA NATURAL LIMITED

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

### 2. SEGMENT REPORTING (CONTINUED)

30 September 2017

	New Zealand Segment \$	Overseas Segment \$	Total \$
Revenue from external customers	225,010	108,124	333,134
Other income	-	-	-
Interest income	72	132	204
Interest and finance charges	(96,700)	(37,314)	(134,014)
Amortisation and depreciation	(5,546)	(3,321)	(8,867)
Cost of goods sold	(147,360)	(107,191)	(254,551)
Employee costs	(245,971)	(34,429)	(280,400)
Other expenses	(377,087)	(226,374)	(603,461)
<b>Segment result</b>	<b>(647,582)</b>	<b>(300,373)</b>	<b>(947,955)</b>
<b>Segment Assets</b>	<b>3,849,672</b>	<b>3,887,825</b>	<b>7,737,497</b>
<b>Segment Liabilities</b>	<b>2,590,284</b>	<b>248,738</b>	<b>2,839,022</b>

Non-current assets held in New Zealand and Overseas segment (excluding any deferred taxes) amount to \$2,530,491 and \$55,971 respectively as at 30 September 2017.

30 September 2016

	New Zealand Segment \$	Overseas Segment \$	Total \$
Revenue from external customers	513,404	544,514	1,057,918
Other income	269	-	269
Interest income	958	967	1,925
Interest and finance charges	(22,398)	-	(22,398)
Amortisation and depreciation	(22,109)	-	(22,109)
Cost of goods sold	(289,732)	(402,700)	(692,432)
Employee costs	(152,817)	-	(152,817)
Other expenses	(467,196)	(86,092)	(553,288)
<b>Segment result</b>	<b>(439,621)</b>	<b>56,689</b>	<b>(382,932)</b>
<b>Segment Assets</b>	<b>4,266,127</b>	<b>3,190,411</b>	<b>7,456,538</b>
<b>Segment Liabilities</b>	<b>1,491,467</b>	<b>80,888</b>	<b>1,572,355</b>

Non-current assets held in New Zealand and Overseas segment (excluding any deferred taxes) amount to \$572,837 and \$nil respectively as at 30 September 2016.

**3、 DIVIDENDS DECLARED AND PAID**

No dividends were declared or paid relating to the Group results for the six months ended 30 September 2017(30 September 2016: \$nil).

**4、 EARNINGS AND NET TANGIBLE ASSETS PER SHARE**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the Group profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares on issue during the period as follows:

	Unaudited 6 months ended 30 September 2017 \$	Unaudited 6 months ended 30 September 2016 \$
<b>Basic earnings per share</b>		
Basic (loss)/earnings per share (cents per share)	(3.10)	(1.21)
(Losses)/earnings used in the calculation of total basic earnings per share	(809,469)	(316,528)
Weighted average number of ordinary shares for the purposes of basic earnings per share	26,089,079	26,089,079
<b>Diluted earnings per share</b>		
Diluted (loss)/earnings per share (cents per share)	(3.10)	(1.21)
(Losses)/earnings used in the calculation of total Diluted earnings per share	(809,469)	(316,528)
Weighted average number of ordinary shares for the purposes of diluted earnings per share	26,089,079	26,089,079
<b>Total tangible assets</b>	<b>7,367,209</b>	<b>7,058,333</b>
<b>Tangible assets per share (cents per share)</b>	<b>28.13</b>	<b>27.05</b>

At 30 September 2017, there were no financial instruments that carried any shareholder dilution rights or characteristics (30 September 2016: \$nil). Accordingly, basic and diluted earnings per share are identical in all accounting periods being reported on.

## 5. SHARE CAPITAL

All Ordinary Shares are issued and fully paid, have no par value and have an equal right to vote, to dividends and to any surplus on winding up. The Group does not have a total number of authorised shares. The Board may issue Shares or other Equity Securities to any person in any number it thinks fit provided that while the Group is Listed, the issue is made in accordance with the NXT Listing Rules.

Oceania Natural Limited share capital movement schedule:

Company	Note	Number of shares	Issue price (cents)	\$
<b>Balance at 1 April 2016</b>		25,832,838		1,756,587
360,708 shares issued at \$2.295 on 23/05/2016		360,708	229.5	827,825
<b>Balance at 30 September 2016</b>		<u>26,193,546</u>		<u>2,584,412</u>
<b>Balance at 31 March 2017</b>		<u>26,193,546</u>		<u>2,584,412</u>
<b>Balance at 30 September 2017</b>		<u>26,193,546</u>		<u>2,584,412</u>

# OCEANIA NATURAL LIMITED

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

### 6. PROPERTY, PLANT AND EQUIPMENT

Note	Leasehold Improvements \$	Land and Buildings \$	Plant & Equipment \$	Office Equipment \$	Computer Equipment \$	Total \$
<b>Cost</b>						
Balance at 1 April 2016	-	-	72,789	1,083	2,424	76,296
Additions	-	-	-	798	-	798
<b>Balance at 30 September 2016</b>	-	-	72,789	1,881	2,424	77,094
Additions	34,422	-	-	21,915	-	56,337
<b>Balance at 31 March 2017</b>	34,422	-	72,789	23,796	2,424	133,431
Additions	<b>2,261</b>	<b>2,000,889</b>	-	<b>2,387</b>	<b>1,048</b>	<b>2,006,585</b>
<b>Balance at 30 September 2017</b>	<b>36,683</b>	<b>2,000,889</b>	<b>72,789</b>	<b>26,183</b>	<b>3,472</b>	<b>2,140,016</b>
<b>Accumulated depreciation</b>						
Balance at 1 April 2016	-	-	(9,170)	(481)	(441)	(10,092)
Depreciation	-	-	(6,544)	(80)	(485)	(7,109)
<b>Balance at 30 September 2016</b>	-	-	(15,714)	(561)	(926)	(17,201)
Depreciation	-	-	(6,544)	(1,770)	(485)	(8,799)
<b>Balance at 31 March 2017</b>	-	-	(22,258)	(2,331)	(1,411)	(26,000)
Depreciation	-	-	<b>(4,636)</b>	<b>(3,537)</b>	<b>(695)</b>	<b>(8,867)</b>
<b>Balance at 30 September 2017</b>	-	-	<b>(26,894)</b>	<b>(5,868)</b>	<b>(2,106)</b>	<b>(34,867)</b>
<b>Carrying amounts</b>						
At 30 September 2016	-	-	57,075	1,320	1,498	59,893
At 31 March 2017	34,422	-	50,531	21,465	1,013	107,431
At 30 September 2017	<b>36,683</b>	<b>2,000,889</b>	<b>45,895</b>	<b>20,315</b>	<b>1,367</b>	<b>2,105,149</b>

The Group acquired land and buildings and a consented water bottling facility for \$2,000,889 with settlement taking place in August 2017. The facility is leased to a supplier of water products to the Group. The purchase of this facility allows the Group to control and increase products sold into local and export markets. As a result of the acquisition, the Group is expected to operate the facility and secure the supply of goods. The amounts recognized are provisional pending receipt of final valuations to be used for the purposes of fair value allocation.

OCEANIA NATURAL LIMITED  
 NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

**7. LOANS AND BORROWINGS**

	Unaudited 6 months ended 30 September 2017 \$	Audited 12 months ended 31 March 2017 \$
BNZ term loan	-	-
Related party loan	428,479	407,682
Manuka Bonds	816,346	619,583
Interest bearing loans	-	-
Term loans (a)	1,340,000	-
<b>Total loans</b>	<b>2,584,825</b>	<b>1,027,265</b>
Current loans	1,949,346	326,025
Non-current loans	635,479	701,240

(a)Term loans

The Group has entered into loan agreements to assist in funding the property, plant and equipment purchased as stated in Note 6. All loans are repayable by 2 August 2018 and the interest rate payable is 13.5%. Interest expense for the period ended 30 September 2017 was \$14,299 (31 March 2017: Nil).

**8. RELATED PARTY TRANSACTIONS**

***Identity of related parties***

The Group has a related party relationship with Wuxi Rich Garden Co. Limited, a Group registered in The People's Republic of China. The Company is under the common control of the majority shareholder. The Director, Wei Zhong and his wife are the two shareholders of Wuxi Rich Garden Co. Limited. Wuxi Rich Garden Co. Limited acts as an agent of the Group to expand the Chinese market and assist the importation process of goods from New Zealand to China.

As part of the agreement to purchase the shares in Rich Garden Limited, a subsidiary of the Group, the Group has a \$459,675 loan payable to the former owner, Regina Ding, the wife of Director Wei Zhong.

The Group has a related party relationship with Meng and Associates, a company controlled by Director, Sean Meng. Sean Meng retired as a director of Oceania Natural Limited and its subsidiary companies on 31 March 2017.

The Group had a related party relationship with Merinova Limited, a company controlled by Director, Ross Keeley.



# OCEANIA NATURAL LIMITED

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

### **Transactions with entities with key management or entities related to them**

During the period, the Group made the following:

	Unaudited 6 months ended 30 September 2017 \$	Unaudited 6 months ended 30 September 2016 \$	Audited 12 months ended 31 March 2017 \$
<b>Total transaction value</b>			
<b>Directors Fees</b>			
Wei Zhong (Executive Director)	-	-	-
Zhijun Shi	20,000	-	43,333
Ross Keeley	20,000	22,993	40,000
Sean Meng (Retired 31 March 2017)	-	23,333	40,000
<b>Remuneration</b>			
Wei Zhong (Executive Director)	120,000	70,000	190,000
<b>Other services</b>			
Wei Zhong (Sale of product through the Group)	291	180	779
Other income - office rental	-	2,085	269
<b>Asset/(Liability)</b>			
<b>Premium Consulting Limited</b>			
Directors Fees and expenses - S Meng	-	(3,833)	-
Directors Fees and expenses - Z Shi	(20,000)	(20,000)	(23,333)
<b>Merinova Limited</b>			
Directors Fees and expenses - R Keeley	(3,833)	(3,833)	(3,333)
Wei Zhong (Sale of product through the Group)	(1,070)	(180)	(779)

All the above balances are unsecured and repayable on demand.

No amounts owed by related parties were written off or forgiven during the six months ended 30 September 2017 (30 September 2016: Nil, 31 March 2017: Nil).

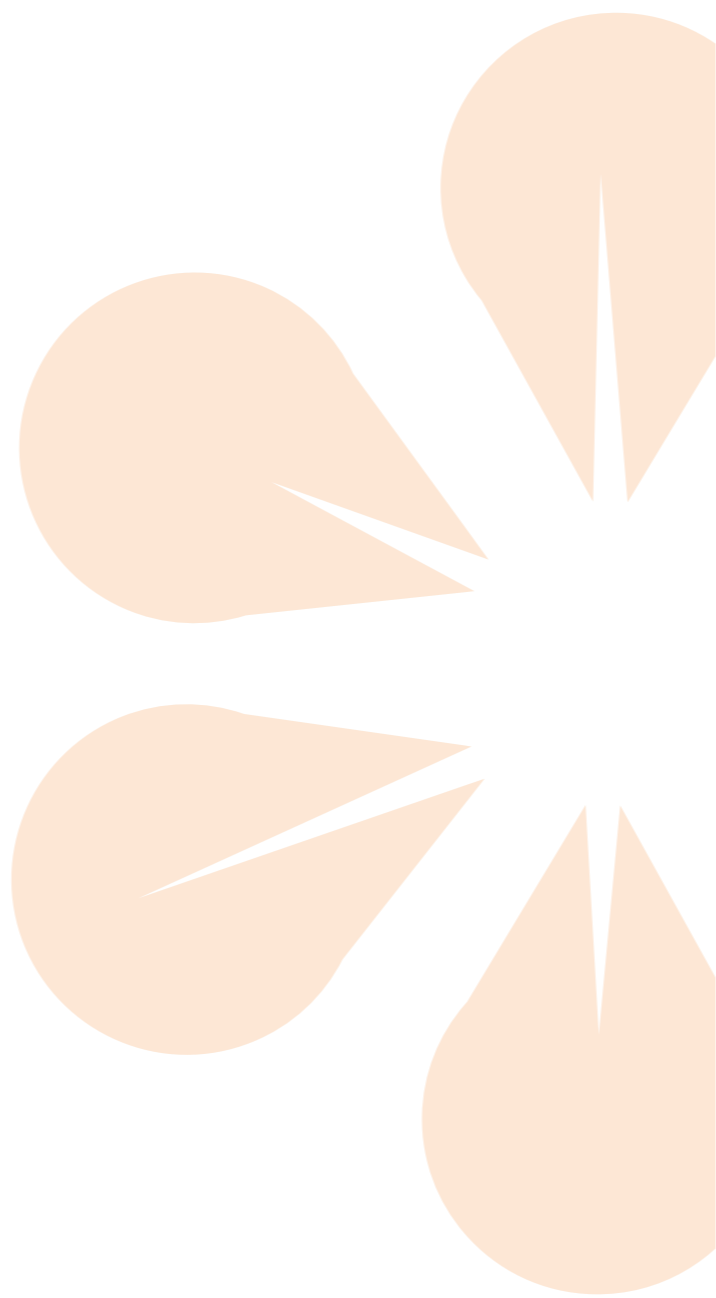
### **9. CONTINGENCIES AND COMMITMENTS**

There are no material contingent liabilities or assets as at 30 September 2017 (30 September 2016: Nil, 31 March 2017: Nil).

**10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

In August 2017, the Group acquired land and buildings and a consented water bottling facility and entered into a sale and purchase agreement with the tenant of the facility on 29 November 2017, allowing the Group to operate the facility effectively from 1 December 2017.

There were no other material events subsequent to the end of the six month period ended 30 September 2017 (30 September 2016: Nil, 31 March 2017: Nil) that would require disclosure.



**Independent Directors**

Murray Ross Keeley  
238 Mount Heslington Road, RD1,  
Brightwater, 7091, New Zealand

Zhijun Shi  
Room 501, No1 lane 388 Furongjiang Road,  
China

**Non-executive Director**

Zhongyang Meng (Retired 31 March 2017)  
12a Blakeborough Drive, Forrest Hill,  
Auckland, New Zealand

**Executive Director**

Wei Zhong  
8 Maidstone Place, Oteha, Auckland,  
New Zealand

**Company Secretary**

Malcolm Lindeque  
17 Kingfisher Road, Millwater, Auckland

**Registered Office**

Unit G2, 59 Apollo Drive, Rosedale, Auckland  
Tel: +64 9 972 2656

**Auditor**

PricewaterhouseCoopers  
PwC Tower, 188 Quay Street, Auckland

**Share Registrar**

Link Market Services Limited  
Deloitte Centre, 80 Queen Street, Auckland  
Tel: +64 9 375 5998

**Company Number**

5709167

**NZ Business Number**

9429041774144

**Incorporated**

27 May 2015

**Shares Issued**

26,193,546 Ordinary

**Solicitors**

Duncan Cotterill  
Level 1, CPO building, 12 Queen Street, Auckland

**Bankers**

ASB Bank Limited  
ANZ Bank Limited  
BNZ Bank Limited  
China Construction Bank (Asia) Corporation Limited  
China Merchants Bank Co. Ltd

**NXT Advisor**

CM Partners Limited  
Level 26, PwC Tower, 188 Quay Street, Auckland



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