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SINETECH LIMITED

ABN 56 125 943 240

ASX Preliminary Final Report –

30 June 2020

Lodged with the ASX under Listing Rule 4.3A

Appendix 4E: Preliminary final report for year ending 30 June 2020

Name of entity	Sinetech Limited
ABN	56 125 943 240
Financial year ended	30 June 2020
Previous corresponding reporting period	30 June 2019

Results for announcement to the market

Revenue from ordinary activities	Nil	0%	to	Nil
Loss from ordinary activities after tax attributable to the owners of Sinetech Limited	down	84.93%	to	(717,817)
Loss for the period attributable to the owners of Sinetech Limited	down	84.93%	to	(717,817)

Dividends

No dividends were paid or proposed to members during the year ended 30 June 2020 or in the previous year.

Review of consolidated financial results

A net loss after tax of \$717,817 is reported by the Group for the year ended 30 June 2020 (30 June 2019: loss of \$4,764,330).

The 2020 loss included a fair value loss of \$402,658 on financial assets. In comparison, the 2019 loss included \$932,986 profit on discontinued operations, \$1,005,225 loss on financial assets received in consideration for the sale of businesses and a \$3,700,000 fair value loss on sale of financial assets.

The Board continued to review acquisition opportunities with a view to identifying and progressing a transaction which will add value for shareholders. Apart from these efforts, there were no substantive business activities during the year.

During the year, the Company raised of \$250,000 before costs. The funds raised will be used to assess new business opportunities, to meet acquisition costs and re-compliance costs associated with any new business acquisition, as well as for general working capital.

At 30 June 2020, cash and cash equivalents totalled \$172,344 (2019: \$62,648).

Events occurring after the balance sheet date

There are no matters or circumstances that have arisen since 30 June 2020 that have affected or may significantly affect the operations, results, or state of affairs of the Company in future financial years.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note	Consolidated for year ended 30 June 2020 \$	Consolidated for year ended 30 June 2019 \$
Revenue			
Interest income		-	5,332
Total Income		-	5,332
Operating Expenses			
Director and employee benefits expenses		179,000	250,000
Consulting and professional fees		75,818	565,159
Compliance and regulatory		57,896	52,420
Finance Expenses		499	81,697
Fair value loss on financial assets at fair value through profit or loss		402,658	3,700,000
Loss on sale of investments		-	1,005,225
Other expenses		1,947	48,147
Total Operating Expenses		717,817	5,702,648
Loss before income tax		(717,817)	(5,697,316)
Income tax expense		-	-
Loss after tax from continuing operations		(717,817)	(5,697,316)
Profit after tax from discontinued operations		-	932,986
Loss for the period		(717,817)	(4,764,330)
Other comprehensive income/ (loss)		-	-
Total comprehensive loss for the period		(717,817)	(4,764,330)
Total comprehensive loss attributable to equity holders		(717,817)	(4,764,330)
		Cents	Cents
Earnings per share			
Basic loss per share (weighted average)		(0.095)	(0.68)
Diluted loss per share (weighted average)		(0.095)	(0.68)
Earnings per share for continuing operations			
Basic loss per share (weighted average)		(0.095)	(0.81)
Diluted loss per share (weighted average)		(0.095)	(0.81)

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Statement of Financial Position
As at 30 June 2020

	Note	Consolidated 30 June 2020 \$	Consolidated 30 June 2019 \$
ASSETS			
Current assets			
Cash and cash equivalents		172,344	62,648
Trade and other receivables		10,801	5,342
Other financial assets		550,643	953,035
Total current assets		733,788	1,021,025
Non-current assets			
Trade and other receivables		60,000	60,000
Total non-current assets		60,000	60,000
Total assets		793,788	1,081,025
LIABILITIES			
Current liabilities			
Trade and other payables		104,219	37,528
Provisions		93,639	20,000
Total current liabilities		197,858	57,528
Total liabilities		197,858	57,528
Net assets		595,930	1,023,497
EQUITY			
Issued capital		30,075,664	29,785,414
Reserves		725,460	725,460
Accumulated losses		(30,205,194)	(29,487,377)
Total equity		595,930	1,023,497

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity
For the year ended 30 June 2020

Attributable to owners of
Sinetech Limited

	Contributed equity \$	Accumulated losses \$	Option reserve \$	Performance share reserve \$	Total \$
Balance at 1 July 2019	29,785,414	(29,487,377)	31,090	694,370	1,023,497
Loss for year	-	(717,817)	-	-	(717,817)
Total comprehensive loss for year		(717,817)			(717,817)
Issued share capital	290,250				290,250
Balance 30 June 2020	30,075,664	(30,205,194)	31,090	694,370	595,930
Balance at 1 July 2018	29,785,414	(24,723,047)	31,090	694,370	5,787,827
Loss for year	-	(4,764,330)	-	-	(4,764,330)
Total comprehensive loss for year	-	(4,764,330)	-	-	(4,764,330)
Balance 30 June 2019	29,785,414	(29,487,377)	31,090	694,370	1,023,497

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows
For the year ended 30 June 2020

Note	Consolidated for year ended 30 June 2020 \$	Consolidated for year ended 30 June 2019 \$
Cash inflow / (outflow) from operating activities		
Government grant receipts related to operating activities	-	1,018,722
Payments to suppliers and employees	(132,893)	(943,662)
Interest received	-	15,420
Interest paid	-	(48,227)
Net cash outflow from operating activities	(132,892)	42,253
Cash inflow / (outflow) from investing activities		
Proceeds from sale of Australian listed securities	-	587,275
Net cash outflow from investing activities	-	587,275
Cash inflow / (outflow) from financing activities		
Proceeds from issues shares and options	250,000	-
Payment of share issue costs	(7,411)	-
Proceeds from borrowings	-	120,194
Repayment of borrowings	-	(920,194)
Net cash inflow from financing activities	242,589	(800,000)
Net decrease in cash and cash equivalents	109,697	(170,472)
Cash and cash equivalents at beginning of year	62,648	233,120
Cash and cash equivalents at end of year	172,345	62,648

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements For the year ended 30 June 2020

BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E

This general purpose condensed financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Sinetech Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report covers Sinetech Limited and controlled entities (“the Consolidated Entity”). Sinetech Limited is a Company limited by shares, incorporated and domiciled in Australia. The financial report is presented in Australian dollars which is the Consolidated Entity’s functional and presentation currency.

The financial statements are presented in Australian dollars and have been prepared under the historical cost convention. The financial statements of the Consolidated Entity also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial information in this report does not include all the notes of the type normally included within the annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial reports.

Therefore it is recommended that this report should be read in conjunction with the annual financial reports for the year ended 30 June 2020, when it becomes available, and be considered together with any public announcements made by Sinetech Limited during the year ended 30 June 2020 in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Supplementary Appendix 4E information

Dividend reinvestment plans

There are no dividend reinvestment plans in operation.

Net tangible assets per security

NTA backing	Current period	Previous period
Net tangible asset backing per ordinary security	0.06 cents	0.15 cents

Control gained or lost during the period

Control gained

There were no transactions entered into by the group during the year ended 30 June 2020 that resulted in control being gained over any entities.

Control lost

There were no transactions entered into by the group during the year ended 30 June 2020 that resulted in control being lost over any entities.

Subsidiaries

The consolidated results incorporate the assets, liabilities and results of the following subsidiary.

Name of entity	Country of incorporation	Class of Share	Equity Holding	
			30 June 2020	30 June 2019
Controlled entity			%	%
Longreach Number 2 Pty Ltd	Australia	Ordinary	100%	100%

The proportion of ownership interest is equal to the proportion of voting power held.

Associates and joint venture entities

Nil

Report based on unaudited accounts

This report has been based on accounts which are currently being audited.

ASX release authorised by the Board of Directors of Sinetech Limited.