



**LIMITED**

**ABN 41 062 284 084**

Half-Year Financial Report for the period ended  
31 December 2018

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## CORPORATE DIRECTORY

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**DIRECTORS:** Richard Ong (Chairman)  
Chris Low  
Peter Ng  
David Low

**COMPANY SECRETARY:** Ian Gregory

**REGISTERED OFFICE:** Level 13,  
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Fax: +61 (3) 8648 6480

**AUDITORS:** Moore Stephens  
Level 18  
530 Collins Street  
Melbourne VIC 3000  
  
Tel: +61 (3) 9608 0100  
Fax: +61 (3) 9608 0192

**SHARE REGISTRY:** Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth, Western Australia 6000  
  
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This Half-Year Financial Report covers the Consolidated Entity comprising Syngas Limited ("Company") and its subsidiaries. The functional currency and presentation currency of the Company is Australian Dollars.

A description of the Consolidated Entity's operations and its principal activities are included in the Review of Operations in the Directors' Report. The Directors' Report has not been reviewed by the auditors.

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## DIRECTORS' DECLARATION

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The directors present the financial report of Syngas Limited ("Company") and its controlled entities ("Consolidated Entity") for the half-year ended 31 December 2018.

In order to comply with the provisions of the *Corporations Act 2001*, the directors' report is as follows:

### DIRECTORS

The names of the directors of the Company who held office during the half-year are:

Richard Ong

Datuk Siak Wei Low (Chris)

Peter Ng

David Low

### OPERATING RESULTS

The after income tax loss for the Consolidated Entity amounted to \$197,169 (2017: \$179,467).

### REVIEW OF OPERATIONS

On 31 August 2018, the Company announced that it had terminated the Joint Venture Agreement with Centuries Andalas Ltd. and PT Cahaya Terang Makmur ("PT Cahaya") for the acquisition of ordinary shares in PT Cahaya which has the right to construct and operate a 10 MW mini-hydro run-of-river power plant located on Batang Toru 6 river in the Island of Sumatra, Republic of Indonesia.

The Company then announced that it had entered into a conditional share sale agreement to acquire 70% equity interest in PJ Paramount Sdn Bhd ("PJP") for total consideration of \$500,000 to be satisfied by issuance of new Syngas shares ("Proposed Acquisition of PJP").

PJP is a private limited company incorporated in Malaysia involved in the research and development and commercialisation of its energy conservation and efficiency solutions technology for commercial, industrial, and household sector. PJP's Energy Efficiency Solution technology helps client with energy management, control of energy demand, and contribute to environmental protection with optimal utilization of energy

Subsequently, the Australian Securities Exchange ("ASX") advised that Listing Rules 11.1.2 and 11.1.3 would apply to the Proposed Acquisition of PJP and that it would result in a change in the nature of SYS's business such that the Proposed Acquisition of PJP would represents a backdoor listing of PJP.

However, ASX advised that the Proposed Acquisition of PJP only would also result in SYS having an unacceptable structure and operations for the purposes of Listing Rule 1.1 condition 1 and ASX would exercise its discretion under Listing Rule 1.19 to reject the listing application. Accordingly, the ASX advised that the suspension of trading in SYS's securities will remain in place until SYS re-complies with Chapters 1 & 2 of the ASX Listing Rules.

Hence, the Company remains in suspension and the Board is now engaging with several parties to seek out other potential income generating investments or asset which would enable the Company to re-comply with Chapters 1 & 2 of the ASX Listing Rules.

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## DIRECTORS' DECLARATION

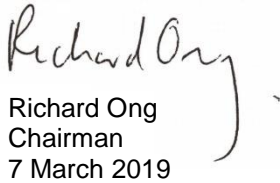
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During the period, the Company had also issued 30,000,000 new shares to raise \$150,000 for working capital purposes. Syngas' cash-in-bank and cash equivalents as at 31 of December 2018 were \$66,610 (30 June 2018: \$48,516).

### AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the *Corporations Act 2001 section 307C* the auditors of the Company, Moore Stephens Victoria, have provided a signed auditor's independence declaration to the directors in relation to the half-year ended 31 December 2018. This declaration is attached to and forms part of this report.

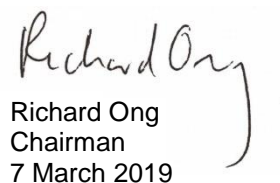
Signed as approved and authorised for issue by the Board of Directors.

  
Richard Ong  
Chairman  
7 March 2019

The directors of Syngas Limited declare that:

- a) in their opinion the accompanying financial statements and notes of the Consolidated Entity;
  - i) give a true and fair view of the financial position as at 31 December 2018 and the performance for the half-year ended on that date of the Consolidated Entity; and
  - ii) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- b) Subject to achievement of the matters set out in Note 1 to the financial report, in their opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with approval of the Board of Directors and is signed for and on behalf of the directors by:

  
Richard Ong  
Chairman  
7 March 2019

Moore Stephens Audit (Vic)

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF SYNGAS LIMITED AND CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2018, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

MOORE STEPHENS

**MOORE STEPHENS AUDIT (VIC)**  
ABN 16 847 721 257



**RYAN LEEMON**  
**Partner**  
**Audit & Assurance Services**

Melbourne, Victoria

7 March 2019

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2018**

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	<b>Note</b>	<b>Half-Year 2018</b>	<b>Half-Year 2017</b>
<b>CONTINUING OPERATIONS</b>			
Interest received from other persons		33	16
Administrative expenses	3	(197,202)	(179,483)
<b>LOSS BEFORE INCOME TAX (EXPENSE)/BENEFIT</b>		<b>(197,169)</b>	<b>(179,467)</b>
Income tax (expense)/benefit		--	--
<b>LOSS AFTER INCOME TAX (EXPENSE)/BENEFIT</b>		<b>(197,169)</b>	<b>(179,467)</b>
Other comprehensive income for the half-year		--	--
Minority Interest		--	--
<b>TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR</b>		<b>(197,169)</b>	<b>(179,467)</b>
<b>BASIC AND DILUTED LOSS PER SHARE (CENTS PER SHARE)</b>		<b>(0.03)</b>	<b>(0.03)</b>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	31 December 2018 \$	30 June 2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		66,610	9,857
Trade and other receivables		--	--
<b>TOTAL CURRENT ASSETS</b>		<b>66,610</b>	9,857
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		--	101
<b>TOTAL NON-CURRENT ASSETS</b>		--	101
<b>TOTAL ASSETS</b>		<b>66,610</b>	<b>9,958</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4	556,037	505,982
Borrowings	5	1,435,560	1,381,794
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,991,597</b>	1,887,776
<b>TOTAL LIABILITIES</b>		<b>1,991,597</b>	1,887,776
<b>NET ASSETS</b>		<b>(1,924,987)</b>	<b>(1,877,818)</b>
<b>EQUITY</b>			
Contributed equity	6	35,166,571	35,016,571
Accumulated losses		(37,091,558)	(36,894,389)
<b>TOTAL EQUITY</b>		<b>(1,924,987)</b>	<b>(1,877,818)</b>

The accompanying condensed notes form part of this financial report



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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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	<b>Half-Year 2018</b>	<b>Half-Year 2017</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers & employees	(93,280)	(66,779)
Interest received	33	16
Other		
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(93,247)</b>	<b>(66,763)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant & equipment	--	--
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>--</b>	<b>--</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	--	50,000
Proceeds from Share Issue	150,000	--
Repayment of Borrowings	--	--
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>150,000</b>	<b>50,000</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>56,753</b>	<b>(16,763)</b>
Cash and cash equivalents at beginning of period	<b>9,857</b>	65,279
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>66,610</b>	<b>48,516</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

<b>Half-Year to 31 December 2018</b>	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>AT 1 JULY 2018</b>	35,016,571	(36,894,389)	(1,877,818)
<b>LOSS FOR THE PERIOD</b>	---	(197,169)	(197,169)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	---	(197,169)	(197,169)
<b>SHARES ISSUED DURING THE PERIOD</b>	150,000	--	150,000
<b>AT 31 DECEMBER 2018</b>	<b>35,166,571</b>	<b>(37,091,558)</b>	<b>(1,924,987)</b>

<b>Half-Year to 31 December 2017</b>	<b>Issued Capital</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	
<b>AT 1 JULY 2017</b>	35,016,571	(36,547,956)	(1,531,385)
<b>LOSS FOR THE PERIOD</b>	---	(179,467)	(179,467)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	---	<b>(179,467)</b>	<b>(179,467)</b>
<b>AT 31 DECEMBER 2017</b>	<b>35,016,571</b>	<b>(36,727,423)</b>	<b>(1,710,852)</b>

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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2018**

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**NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2018 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 134 Interim Financial Reporting.

The half-year financial report does not include all notes of the type normally included within the annual financial report. Accordingly this financial report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and the corresponding period.

**Going concern**

The Consolidated Entity recorded a loss of \$197,169 for the half year ended 31 December 2018 (2017: \$179,467), net operating cash outflow of \$93,247 (2017: outflow \$(66,763)) and has net liabilities of \$1,924,987 at 31 December 2018. The Consolidated Entity's cash flow forecasts show that it will require additional funding to enable it to meet ongoing expenditure commitments for at least twelve months from the date of signing these financial statements.

The financial report has been prepared on the basis that the Consolidated Entity can continue to meet its commitments as and when they fall due. In arriving at this position the directors have had regard to the fact that they are actively pursuing further funding initiatives to provide additional working capital, including identification and implementation of profitable projects, potential equity issues, have expressed their continued support of the loan facility in place (note 5). Directors have deferred settlement of all entitlements from the company for a period of not less than 12 months or until such time that cashflow permits and is not to the detriment to other financial obligations and commitments of the company.

Commitment has been received from the Directors confirming ongoing financial support to the company as and when it is needed, as to enable the company to meet its financial obligations as and when they fall due and to carry on business without constraint of operations for a period of no less than 12 months.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the company will be able to raise sufficient funds to meet its obligations as and when they fall due and continue to proceed with the Consolidated Entity's strategic objectives beyond the currently committed expenditure, including satisfying the ASX requirement to have the trading suspension reversed.

Should the directors not achieve the matters set out above, there is material uncertainty whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

**New, revised or amending Accounting Standards and Interpretations adopted.**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2018**

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Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. None of these are expected to have a significant effect on the consolidated financial statements.

**NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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 factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation were the same as those applied to the annual financial report as at and for the year ended 30<sup>th</sup> June 2018.

**NOTE 3. ADMINISTRATIVE EXPENSES**

	<b>Half-Year to 31 December 2018</b>	<b>Half-Year to 31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Staff and consultants	90,000	90,000
Rental expenses	1,200	1,050
Depreciation of plant and equipment	101	122
Finance Costs	53,766	52,252
Other	52,135	36,059
	<b>197,202</b>	<b>179,483</b>

**NOTE 4. TRADE AND OTHER PAYABLES**

	<b>Half-Year to 31 December 2018</b>	<b>Year to 30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Director fees accrued	515,001	455,001
Other payables	41,036	50,981
	<b>556,037</b>	<b>505,982</b>

The Company has received confirmations from its Directors to defer payment of the Directors fees for 12 months until there is sufficient free cash flow available to the company over and above what is required to settle ongoing financial obligations as and when they fall due.

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**CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE  
HALF-YEAR ENDED 31 DECEMBER 2018**

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**NOTE 5. BORROWINGS**

	31 December 2018	30 June 2018
	\$	\$
Loan from Director and entity related to Director	1,435,560	1,381,794
	1,435,560	1,381,794

During the period, the Company relied on the \$350,000 Loan Facility with AsiaPacific Businesslink Sdn Bhd, an entity associated with Mr Chris Low, a director of the Company. As at 31 December 2018, a total of \$350,000 has been drawn from this facility with \$85,586 interest accumulated. The Company also has a loan facility with Mr Chris Low, the balance of which stood at \$999,974 as at 31 December 2018, being the principal of \$700,000 and accumulated interest of \$299,974. The Company has received confirmation from the Lender that the aforesaid loans shall not be called for 12 months until there is sufficient free cash flow available to the Company over and above what is required to settle ongoing financial obligations as and when they fall due.

In addition to the above, the Company also has a \$400,000 Loan Facility with AsiaPacific Businesslink Sdn Bhd which has not been utilised.

**NOTE 6. CONTRIBUTED EQUITY**

	31 December 2018		30 June 2018	
	Number of Shares	\$	Number of Shares	\$
Ordinary shares	611,440,288	35,166,571	581,440,288	35,016,571

**NOTE 7. EVENTS SUBSEQUENT TO BALANCE DATE**

There are no events post balance sheet date of 31 December 2018.

**NOTE 8. DIVIDENDS**

No dividends have been paid or declared in the half-year ended 31 December 2018 (31 December 2017: nil).

**NOTE 9. SEGMENT REPORTING**

The Consolidated Entity:

1. has currently only one operating segment, being energy projects, and the segment operations and results are the same as the Consolidated Entity results; and
2. has based its operating segment reporting on the internal reports that are reviewed and used by executive management on a monthly basis in assessing performance and in determining the allocation of resources.

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SYNGAS LIMITED AND CONTROLLED ENTITIES

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Syngas Limited and Controlled Entities (**the company**), which comprises the condensed statement of financial position as at 31 December 2018, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity, the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion, we draw attention to Note 1- Going Concern which indicates the consolidated company incurred a loss of \$197,169 during the period as well as being in a net liability position of \$1,924,987 the half year ended 31 December 2018. The directors of the consolidated company have set out the assumptions used in preparing the financial report on a going concern basis in Note 1- Going Concern. If these assumptions do not eventuate, it may cast doubt over the consolidated company's ability to continue as a going concern and therefore the consolidated company may not be able to realise its assets and discharge its liabilities in the normal course of business and remain listed on the Australian Stock Exchange.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state

whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

MOORE STEPHENS

**MOORE STEPHENS AUDIT (VIC)**  
ABN 16 847 721 257



**RYAN LEEMON**  
**Partner**  
**Audit & Assurance Services**

Melbourne, Victoria

7 March 2019