

# SINETECH LIMITED

30 April 2019

## March 2019 Quarterly Report

Sinetech Limited (**Sinetech** or **the Company**) is pleased to provide the attached Appendix 4C and an update of its operations for the three-month period ended 31 March 2019.

### Financial and Operational Overview

The Board has continued to review a number of acquisition opportunities, with due diligence completed on a number of potential acquisitions.

On 15 February 2019 the Company requested a trading halt with respect to the Company's quoted securities pending an announcement of a potential business acquisition. Subsequently, on 19 February 2019 the Company requested suspension of its quoted securities pending further consideration of the proposed acquisition.

The Company submitted an *Application for In-principle Advice* as to the suitability of Sinetech for re-admission to the official list of ASX Limited (**ASX**) if it proceeds with the proposed business acquisition.

ASX advised that the proposed acquisition represents a significant change to the nature and scale of activities of Sinetech, to which ASX will apply listing rules 11.1.2 and 11.1.3. The latter will require Sinetech to re-comply with the admission and quotation requirements in chapters 1 and 2 of the ASX Listing Rules and enlivens ASX's discretions under listing rules 1.19 and 2.9 to grant or refuse admission and quotation in its absolute discretion.

ASX further advised that there is a significant likelihood that ASX will exercise its discretion under Listing Rule 19.1 to decline Sinetech's application for re-admission to the official list based on the business acquisition proposed.

ASX has determined that the Company does not have sufficient operations to warrant the continued quotation of its securities in accordance with Listing Rule 12.1.

As such the Company's suspension will continue until the Company makes an announcement acceptable to ASX about its future activities. This is likely to include the company re-complying with Chapters 1 and 2 of the Listing Rules pursuant to ASX Listing Rule 11.1.3 with respect of any future transaction the company may enter into.

The Board is currently reviewing the determination by ASX and the way forward for the Company.

The Company closed the quarter with \$64,000 in cash and holds shares in IncentiaPay with a market value of \$1.6 million at 31 March 2019.

**ENDS**

### For further information, please contact:

Stephen Harrison  
Executive Chairman  
+61 403 345 373

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**Sinetech Limited**

**ABN**

56 125 943 240

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(452)	(831)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	15
1.5 Interest and other costs of finance paid	(48)	(48)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,019	1,019
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>534</b>	<b>155</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	295	476
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>295</b>	<b>476</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from sale of business	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	120
3.6 Repayment of borrowings	(920)	(920)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Cash at date of disposal)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(920)</b>	<b>(800)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	155	233
4.2 Net cash from / (used in) operating activities (item 1.9 above)	534	155
4.3 Net cash from / (used in) investing activities (item 2.6 above)	295	476
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(920)	(800)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>64</b>	<b>64</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	64	155
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Bank Guarantees and deposits held)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>64</b>	<b>155</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
279
-

Directors fees and Consulting fees

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

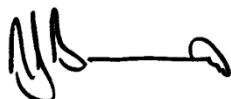
9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	
9.4 Leased assets	
9.5 Staff costs	
9.6 Administration and corporate costs	283
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>283</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 30 April 2019

Print name: Neville John Bassett

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. Payments for research and development activities are included in staff, administration and corporate costs and have not been shown separately. R & D costs are analysed and calculated by project on a yearly basis when the claim is made.