



LIMITED

ABN 41 062 284 084

Annual Report 2019

CORPORATE DIRECTORY

DIRECTORS:	Richard Ong David Low Datuk Siak Wei Low Peter Ng
COMPANY SECRETARY:	Ian Gregory
REGISTERED OFFICE:	Level 13, 200 Queen Street Melbourne, VIC 3000 Tel: +61 (3) 8648 6431
AUDITORS:	Moore Stephens Level 18, 530 Collins Street Melbourne VIC 3000
SHARE REGISTRY:	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth WA 6000 GPO Box D182 Perth WA 6840 Tel: 1300 557 010 Int: +61 (8) 9323 2000 Fax: +61 (8) 9323 2033

This annual report covers the Consolidated Entity comprising Syngas Limited and its subsidiaries. The Consolidated Entity's presentation currency is Australian Dollars (\$). The functional currency of Syngas Limited and its subsidiaries is Australian Dollars (\$). A description of the Consolidated Entity's operations and of its principal activities is included in the review of operations and activities in the Directors' Report.

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DIRECTORS' REPORT

The directors of Syngas Limited ("Syngas", "Parent Entity" or "Company") present their report including the consolidated Annual Financial Report of the Company and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2019. The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

DIRECTORS

The names of the directors of the Company in office at any time during or since the end of the financial year and up to the date of this Annual Financial Report are as follows:

Richard Ong (appointed 24 November 2014 and continues in office)

David Chee Cheong Low (appointed 2 November 2015 and continues in office)

Datuk Siak Wei Low (appointed 19 September 2014 and continues in office)

Peter Ng (appointed 1 October 2014 and continues in office)

PRINCIPAL ACTIVITIES

The principal activity of the Company is in the resource and energy sector. The Company continues to seek investment opportunities in the resource and energy sector.

There were no other significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

OPERATING RESULTS

The operating loss of the Consolidated Entity, after income tax expense, amounted to \$365,434 (2018:loss \$346,433).

The loss (cents) per share over the last five years is:

2019	2018	2017	2016	2015
0.06	0.06	0.06	0.07	0.07

REVIEW OF OPERATIONS

On 31 August 2018, the Company announced the intended acquisition of 70% of PJ Paramount Sdn Bhd ("PJP") for a total consideration of AUD500,000 to be satisfied by the issuance new Syngas shares ("Proposed Acquisition of PJP").

The acquisition involved the acquisition 70% equity interest or 1,085,000 shares in PJP ("Sale Shares") for total consideration of AUD500,000 which was to be satisfied by the issuance of 50,000,000 new Syngas shares at an issue price of AUD0.01 per Syngas share ("Consideration Shares"). The purchase consideration was determined on a willing-buyer and willing-seller basis after taking into consideration, amongst others, the profit guarantee to be provided by the Vendor, escrow of 50% of the Consideration Shares and issue price of the Consideration Shares.

On 7 September 2018, the ASX advised that ASX Listing Rules 11.1.2 and 11.1.3 apply to the Proposed Acquisition of PJP and that the Proposed Acquisition of PJP 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.

ASX also has advised that the Proposed Acquisition of PJP would 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 any listing application.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

Accordingly, the ASX advised that the suspension of trading in SYS's securities will remain in place until Syngas re-complies with Chapters 1 & 2 of the ASX Listing Rules. This suspension remains as at the date of signing of this Annual Report.

Syngas has since agreed with the Vendor of PJP to terminate the Proposed Acquisition of PJP.

On 16 October 2019, the Board announced that it has entered into a term sheet to acquire the rights, title and interests that Tyranna Resources Limited ("Vendor" or "Tyranna") has in the issued shares of Half Moon Pty Ltd ("HMP"), the owner of the majority and controlling joint venture interest in the Western Gawler Craton Joint Venture ("WGCJV" or "JV") and all tenements located around the WGCJV owned 100% by HMP and Trafford Resources Pty Ltd ("Trafford"), collectively referred to as the "Jumbuck Gold Project" ("Acquisition").

The key commercial terms set out in the Term Sheet are summarised below:

- 1) Syngas is granted an Option by Tyranna to acquire 100% of the shares of HMP and all the tenements held by Trafford ("Tenements"), collectively referred to as the Jumbuck Gold Project for \$950,000 cash ("Option"). The Option can be further automatically extended by 3 months by the payment of \$25,000 by Syngas to Tyranna;
- 2) Syngas has 30 days from signing of the Term Sheet to conduct a due diligence on the Jumbuck Gold Project ("Due Diligence Period") and seek the preliminary approval of the ASX on the restructuring of Syngas;
- 3) A non refundable of Option fee of \$50,000 ("Option Fee") is payable in the following manner:-
 - a) \$10,000 of the Option Fee will be paid in cash, without shareholder approval, within 3 business days of the date of execution of the Term Sheet. This amount has been paid.
 - b) The balance of the Option Fee of \$40,000 shall be paid upon successful completion of the due diligence ("Due Diligence") by Syngas during the Due Diligence Period and the receipt of ASX preliminary approval to the restructuring of Syngas and at this stage the term sheet will be binding.
- 4) Upon completion of the Due Diligence, Syngas and Tyranna may enter into a definitive share purchase agreement ("Purchase Agreement") and any other agreement that may be necessary or desirable to effect the Acquisition which will set out in detail the terms and conditions of the Acquisition including:
 - a) Syngas to pay \$950,000 to Tyranna as consideration for the acquisition of all the issued capital in HMP and the Tenements upon completion of the Acquisition and approval for the re-instatement of the shares of Syngas to trading on the ASX.
 - b) Tyranna will ensure that the ownership transfer (transfer of title) of the Western Gawler Craton JV tenements in accordance with the Terms of Resolution Dispute between the parties to the Western Gawler Craton JV is completed within the timeframe as per the Deed of Covenant signed on 27 July 2019 and third party agreements are signed for Syngas to assume all obligations and liabilities from settlement.

CORPORATE

During the year, the Company issued 30,000,000 new shares to raise \$150,000 for working capital purposes. Syngas is also supported by loans from a Director, Datuk Siak Wei Low and his related entities amounting to \$1,513,636 as at 30 June 2019 (2018:\$1,381,795), refer to note 8(b) for further details. Datuk Siak Wei Low has given a letter of undertaking to the Company to continue to provide sufficient financial assistance to the Company for next 12 months to continue its operations and fulfil its financial obligations.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year.

The directors have recommended that no dividend be paid in respect of the year ended 30 June 2019.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, there were no significant changes to the state of affairs of Syngas other than disclosed above.

DIRECTORS' REPORT

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Board is continuing to review and hold discussion on acquisition of the Jumbuck Gold Project and the restructuring of the Company, but acknowledges that in today's capital market, working capital is difficult to raise and as such, will continue to engage with potential investors on the capital raising for the restructuring of the Company.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Other than as disclosed above under "Review of Operations", no other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's activities are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for the Consolidated Entity to achieve.

Instances of environmental non-compliance by an operation are identified either by internal compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

INFORMATION ON DIRECTORS AND EXECUTIVES

RICHARD ONG (AGE 63)

CHAIRMAN

APPOINTED: 24 NOVEMBER 2014

Experience and Expertise

Mr Ong holds a Bachelor of Science and a Bachelor of Laws. He was in legal practise in Malaysia and New South Wales. He has been involved in corporate finance work in Malaysia, Singapore and Australia for more than twenty years.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Special Responsibilities

Non-Executive Director

DAVID CHEE CHEONG LOW (AGE 50)

EXECUTIVE DIRECTOR

APPOINTED: 2 NOVEMBER 2015

Experience and Expertise

David Low is a CPA and was previously an investment banker in Asia for more than 10 years and had advised on various mergers and acquisitions, initial public offerings, fund raising (both debt and equity) and during the Asian Financial Crisis, corporate and debt restructuring

David Low is currently director of JCL Capital Pty Ltd, a boutique corporate advisory house specialising in cross border corporate finance activities and bridging Australia and Asia.

Other Current Directorships

Ennox Group Ltd (ASX:EXO)

VIP Gloves Ltd (ASX:VIP)

Former Directorships in the Last Three Years

Black Star Petroleum Ltd (ASX:BSP)

Special Responsibilities

Executive Director

DATUK SIAK WEI LOW (AGE 60)

NON-EXECUTIVE DIRECTOR

APPOINTED: 19 SEPTEMBER 2014

Experience and Expertise

Datuk Siak Wei Low is the Chief Executive Officer of Sepangar Bay Power Corporation Sdn Bhd, an independent power producer company which owns and operates a 100MW gas-fired power plant in Sabah, Malaysia. He is also President of several companies in Indonesia and Laos which are developing hydro power projects in Northern Sumatera and Laos with a total capacity of 1,680 MW.

Datuk Siak Wei Low is a Fellow of CPA Australia and alumni member of Harvard Business School.

Other Current Directorships

None

Former Directorships in the Last Three Years

None

Special Responsibilities

Non-Executive Director

INFORMATION ON DIRECTORS AND EXECUTIVES (CONTINUED)

PETER NG (AGE 55)

NON-EXECUTIVE DIRECTOR

APPOINTED: 1 NOVEMBER 2014

Experience and Expertise

Mr Ng is a solicitor practising law in Melbourne. Prior to entering legal practise, Mr Ng was an Associate Director of a boutique private equity investment house specialising in managing and raising the public profiles of small and emerging companies in the mining and renewable energy sector.

Mr Ng holds a Bachelor of Economics, a Master of Business Administration, a Master of Laws and a graduate Diploma in Legal Practice.

Other Current Directorships

Nil

Former Directorships in the Last Three Years

Nil

Special Responsibilities

Non-Executive Director

IAN GREGORY B.BUS, FGIA, FCIS, F.FIN, MAICD

COMPANY SECRETARY

APPOINTED: 21 MAY 2009

Ian Gregory has over 30 years' experience in the provision of company secretarial and business administration services to listed and unlisted companies. Companies for which Ian has acted as Company Secretary include Iluka Resources Limited, IBJ Australia Bank Limited and the Griffin Coal Mining Group of companies. He currently consults on secretarial and governance matters to a number of listed and unlisted companies. Ian is a past member and Chairman of the Western Australian Branch Council of Governance Institute of Australia (GIA) and has also served on the National Council of GIA.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The directors' interests in the securities of the Company are as follows:

At the date of this report

Current directors	Ordinary shares	Options
Richard Ong	-	-
David Low	-	-
Datuk Siak Wei Low	113,192,923	-
Peter Ng	-	-
	113,192,923	-

At the date of the previous report

Current directors	Ordinary shares	Options
Datuk Siak Wei Low	113,192,923	-
	113,192,923	-

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number eligible to attend	Number attended	Circular Resolutions passed	Total
Richard Ong	2	2	6	8
David Low	2	2	6	8
Datuk Siak Wei Low	2	2	6	8
Peter Ng	2	2	6	8

DIRECTORS' REPORT

REMUNERATION REPORT - AUDITED

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the Consolidated Entity in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purpose of this report, key management personnel of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

REMUNERATION POLICY

The Board has adopted a remuneration policy that takes into account the current size and nature of the Consolidated Entity's operations.

The names, positions, annual fees and remuneration of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

DIRECTORS	POSITION	ANNUAL FEES AND REMUNERATION
Richard Ong	Non-executive director	\$40,000
David Low	Executive Director	\$48,000
Datuk Siak Wei Low	Non-executive director	\$40,000
Peter Ng	Non-executive director	\$40,000
EXECUTIVES		
Ian Gregory	Company Secretary	\$195 per hour

Non-executive director remuneration

The Board's policy is currently to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, primarily based on the nature and size of the Consolidated Entity's operations and also including market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Fees for non-executive directors are not linked to the performance of the Consolidated Entity.

Whilst share based payments can and have been made to non-executive directors, no options were issued to the non-executive directors during the current financial year. The primary purpose of the grant of options is to provide a market linked incentive package in the capacity as a director and the role of growing the business and sourcing new business opportunities for the Consolidated Entity.

A director may be paid fees or other amounts as the directors determine, where a director performs duties or provides services outside of the scope of their normal director's duties. A director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

There are no service agreements with the non-executive directors. They serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the *Corporations Law 2001*, or are not re-elected to office. They are remunerated on a monthly basis with no termination payments payable.

REMUNERATION REPORT – AUDITED (CONTINUED)

REMUNERATION POLICY (CONTINUED)

Other executive – Company Secretary

The fees paid to the Company Secretary are based on market rates.

Managing Director and Chief Executive Officer Remuneration

The Consolidated Entity objective is to reward the Managing Director and Chief Executive Officer with a mix of remuneration commensurate with the position and responsibilities within the Consolidated Entity. As at the date of this report the Company has not appointed a person to the position of Managing Director and Chief Executive Officer.

Retirement allowances and benefits for directors

There are no retirement benefits paid to directors other than statutory superannuation.

Relationship of Remuneration to Financial Performance

There is no relationship between the Consolidated Entity's performance based on earnings or the impact on shareholder wealth of the Consolidate Entity for the current financial year or the previous financial year and either the remuneration of directors and executives or the issue of shares and options to directors. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

The Board may pay a bonus to key management personnel (including directors) based on the success in achieving project development milestones and generating suitable new business opportunities. A further bonus may also be paid upon the successful completion of a new business acquisition. No bonus was paid during the current or prior financial year.

The Board is of the opinion that the expiry dates and exercise prices of the options currently on issue or to be issued to the directors and the executive are sufficient to align the goals of the directors and executives with those of the shareholders to maximise shareholder wealth and as such, the Board has not set any performance conditions for the non-executive directors and executive directors.

Remuneration policy

The Board believes that this remuneration policy is appropriate given the stage of development of the Consolidated Entity and the activities which it undertakes, and is appropriate in aligning director and executive objectives with shareholder and business objectives.

To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and may receive options. Options held by a director or executive on resignation from the role or from the Company continue to be held by that person to deal with as that person sees fit.

The amount of remuneration of the key management personnel (as defined in AASB 124 Related Party Disclosures) is set out in the following tables.

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

REMUNERATION POLICY (CONTINUED)

REMUNERATION OF KEY MANAGEMENT PERSONNEL – 2019

	Primary Compensation			Total
	Short Term Benefits ¹		Post Employment Benefits ²	
	Cash Salary and Fees \$	Non- monetary benefits \$	Superannuation \$	
DIRECTORS				
Richard Ong	40,000	-	-	40,000
David Low	48,000	-	-	48,000
Datuk Chris Siak Wei Low	40,000	-	-	40,000
Peter Ng	40,000	-	-	40,000
TOTAL PRIMARY COMPENSATION FOR DIRECTORS	168,000	-	-	168,000
EXECUTIVES				
David Low ³	12,000	-	-	12,000
TOTAL PRIMARY COMPENSATION FOR EXECUTIVES	12,000	-	-	12,000
TOTAL PRIMARY COMPENSATION	180,000	-	-	180,000

¹Short Term Benefits consists of salary, director's fees, company secretarial fees and/ or consulting fees. No cash bonuses, non-monetary benefits or other benefits (other than directors' & officers' liability insurance) were provided that formed part of Short Term Benefits.

²Post Employment Benefits consists of superannuation. No other benefits were provided that formed part of Post-Employment Benefits.

³See Note 12 Related Parties

	Total Compensation 2019				
	Primary Compensation	Equity Compensation	Total	Proportion of remuneration performance based	Value of options as proportion of remuneration
	\$	\$	\$	%	%
DIRECTORS					
Richard Ong	40,000	-	40,000	-	-
David Low	48,000	-	48,000	-	-
Datuk Siak Wei Low	40,000	-	40,000	-	-
Peter Ng	40,000	-	40,000	-	-
TOTAL COMPENSATION FOR DIRECTORS	168,000	-	168,000	-	-
Executives					
David Low	12,000	-	12,000	-	-
TOTAL COMPENSATION FOR EXECUTIVES	12,000	-	12,000	-	-
TOTAL	180,000	-	180,000	-	-

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

REMUNERATION POLICY (CONTINUED)

REMUNERATION OF KEY MANAGEMENT PERSONNEL – 2018

	Primary Compensation			Total
	Short Term Benefits ¹		Post Employment Benefits ²	
	Cash Salary and Fees \$	Non- monetary benefits \$	Superannuation \$	
DIRECTORS				
Richard Ong	40,000	-	-	40,000
David Low	48,000	-	-	48,000
Datuk Chris Siak Wei Low	40,000	-	-	40,000
Peter Ng	40,000	-	-	40,000
TOTAL PRIMARY COMPENSATION FOR DIRECTORS	168,000	-	-	168,000
EXECUTIVES				
DAVID LOW ³	12,000	-	-	12,000
TOTAL PRIMARY COMPENSATION FOR EXECUTIVES	12,000	-	-	12,000
TOTAL PRIMARY COMPENSATION	180,000	-	-	180,000

¹Short Term Benefits consists of salary, director's fees, company secretarial fees and/ or consulting fees. No cash bonuses, non-monetary benefits or other benefits (other than directors' & officers' liability insurance) were provided that formed part of Short Term Benefits.

²Post Employment Benefits consists of superannuation. No other benefits were provided that formed part of Post-Employment Benefits.

³See Note 12 Related Parties

	Total Compensation 2018				
	Primary Compensation	Equity Compensation	Total	Proportion of remuneration performance based	Value of options as proportion of remuneration
	\$	\$	\$	%	%
DIRECTORS					
Richard Ong	40,000	-	40,000	-	-
David Low	48,000	-	48,000	-	-
Datuk Siak Wei Low	40,000	-	40,000	-	-
Peter Ng	40,000	-	40,000	-	-
TOTAL COMPENSATION FOR DIRECTORS	168,000	-	168,000	-	-

DIRECTORS' REPORT

REMUNERATION REPORT – AUDITED (CONTINUED)

REMUNERATION POLICY (CONTINUED)

REMUNERATION OF KEY MANAGEMENT PERSONNEL – 2018

	Total Compensation 2018				
	Primary Compensation	Equity Compensation	Total	Proportion of remuneration performance based	Value of options as proportion of remuneration
	\$	\$	\$	%	%
Executives					
David Low	12,000	-	12,000	-	-
TOTAL COMPENSATION FOR EXECUTIVES	12,000	-	12,000	-	-
TOTAL	180,000	-	180,000	-	-

The key management personnel shown in the following tables are those that hold shares or options in the Company.

YEAR ENDED 30 JUNE 2019

	Number of ordinary shares			
	1 July 2018	Issued as consideration	net change trading	30 June 2019
Datuk Siak Wei Low	113,192,923	-	-	113,192,923
	113,192,923	-	-	113,192,923

YEAR ENDED 30 JUNE 2018

	Number of ordinary shares			
	1 July 2017	Issued as consideration	net change trading	30 June 2018
Datuk Siak Wei Low	113,192,923	-	-	113,192,923
	113,192,923	-	-	113,192,923

COMPENSATION OPTIONS: GRANTED AND VESTED

During the year there were no Options over unissued shares issued by the Company.

ADDITIONAL INFORMATION

Shares Under Option

No shares were issued during the financial year ended 30 June 2019 by virtue of the exercise of options (2018: Nil). No further shares have been issued by virtue of the exercise of options since the end of the financial year and to the date of this report.

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

INDEMNIFYING AND INSURING DIRECTORS, OFFICERS OR AUDITOR

Directors' and officers' liability insurance and indemnity insurance premiums paid during or since the end of the financial year for any person who is or has been an officer of the Consolidated Entity totalled \$Nil (2018: \$Nil). The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Consolidated Entity and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Consolidated Entity. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The auditor is not indemnified under any circumstance.

AUDITOR

Moore Stephens is the appointed auditor that remains in office in accordance with section 327B of the *Corporations Act 2001*.

AUDIT SERVICES

During the financial year, \$21,610 (2018: \$21,680) was paid or is payable for audit services provided by the auditor.

NON-AUDIT SERVICES

During the financial year \$8,750 (2018 \$3,600) was paid to the auditor for non-audit service for the Company and relevant subsidiaries. The directors are satisfied that the provision of these non-audit services did not compromise the independence of the auditor. The non-audit services do not conflict with the provision of the audit services.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the *Corporations Act 2001* section 307C the auditors of the Company, Moore Stephens, have provided a signed Auditor's Independence Declaration to the directors in relation to the year ended 30 June 2019. This declaration has been included on page 15 and forms part of this report.

Signed in accordance with a resolution of the directors.


Richard Ong
Chairman
22 October 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**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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

MOORE STEPHENS

MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



RYAN LEEMON

Partner

Audit & Assurance Services

Melbourne, Victoria

22 October 2019

CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for the operational and financial performance of the company, including its corporate governance. The Board has adopted a corporate governance framework for the company, the key features of which are set out in this statement. This Framework is underpinned by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) (the **ASX Recommendations**) which are applicable to ASX-listed entities.

Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices do not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company has adopted instead of those in the recommendation.

The following table summarises Syngas' compliance with the ASX Recommendations. Shaded sections are Guidance Principles, while unshaded sections are Syngas' responses.

Principle	Compliance/Response
Principle 1	Lay solid foundations for management and oversight
Recommendation 1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.
Syngas Response	<p>The Board has established functions that are reserved for the Board, as separate from those functions discharged by management, and they are summarised in the Company's Board Charter.</p> <p>Broadly the key responsibilities of the Board include reviewing and approval of corporate strategies and budgets, overseeing and monitoring organisational performance, monitoring financial performance, appointing and assessing the performance of the Managing Director (or equivalent), senior executives, and the company secretary, reviewing and monitoring systems of risk management and internal controls, ensuring legal compliance, enhancing and protecting the reputation of the Company, and reporting to and communicating with shareholders.</p> <p>The Chairman currently holds a non-executive role and is not involved in day to day operations of the Company.</p>
Recommendation 1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
Syngas Response	<p>New appointments to the Board undergo appropriate checks by the Board including checks as to the person's character, experience and education. At this time the Company assesses any interest which might reasonably be expected to influence the candidate's capacity to be independent.</p> <p>A profile of each Director is included in the Annual Report and in any notice of meeting where a Director is standing for election or re-election.</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Recommendation 1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.
Syngas Response	<p>All executive directors and senior management have written employment agreements.</p> <p>Employment agreements are entered into with any person appointed to a senior management position. At present the company does not employ any management staff.</p>
Recommendation 1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.
Syngas Response	The Company Secretary has a direct line of communication with the Chairman and all Directors, and is responsible for advising the Board and any committees on governance matters, monitoring Board and Committee policy and procedure adherence and supporting the proper functioning of the Board.
Recommendation 1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity’s progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity’s diversity policy and its progress towards achieving them, and either:</p> <p style="padding-left: 40px;">(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p style="padding-left: 40px;">(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>
Syngas Response	<p>The Company has adopted a diversity policy and recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. However, the policy does not include requirements for the Board to establish measurable objectives for achieving gender diversity. Given the Company’s size and stage of development, the Board does not think it is yet appropriate to include measurable objectives in relation to gender. As the Company grows and requires employees, the Company will review this policy and amend as appropriate.</p> <p>At this point in time Syngas has no employees and there are no women on the Board.</p> <p>Syngas Limited is not defined as a relevant employer under the workplace Gender Equality Act.</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Recommendation 1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>
Syngas Response	<p>Evaluation of the Board is carried out on a continuing and informal basis. The Company will put a formal process in place as and when the level of operations justifies it. No performance evaluation was undertaken in the reporting period.</p>
Recommendation 1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>
Syngas Response	<p>A performance evaluation was not under taken of senior executives as no senior executives are presently employed.</p>
Principle 2	Structure the board to add value
Recommendation 2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ul style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>
Syngas Response	<p>The Company has not established a separate nomination committee.</p> <p>The Board has decided that there are no efficiencies to be gained by, and, given the current size and composition of the Board, it is not practicable to, form a separate nomination committee. The Board considers that it is more appropriate to set aside time at board meetings to specifically address matters, such as Board succession issues and the balance of skills across the Board, which would ordinarily fall to a nomination committee.</p> <p>The Board is of the view that this is the best arrangement to grow the business of Syngas in the current development cycle of the Company.</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Recommendation 2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.
Syngas Response	<p>The Board regularly evaluates the mix of skills, experience, and diversity so that the Board operates effectively and efficiently. The Board believes that a highly credentialed Board, with a diversity of background, skills, and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the shareholders.</p> <p>The mix of skills that the Board looks to achieve in its membership includes:</p> <ul style="list-style-type: none"> • Power generation experience • Business acumen • Operational management • Finance • Equity markets and fund raising • Corporate law and governance <p>A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report in the 2019 Annual Report.</p>
Recommendation 2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>
Syngas Response	<p>Richard Ong (4 years 10 months) Non-Executive Chairman – Independent</p> <p>David Low (3 year 10 months) Executive Director</p> <p>Datuk Siak Wei Low (5 years) Non-Executive Director</p> <p>Peter Ng (4 years 11 months) Non-Executive Director – Independent</p>
Recommendation 2.4	A majority of the board of a listed entity should be independent directors.
Syngas Response	<p>The majority of the Board does not comprise independent directors (2 of the 4 directors are independent). Notwithstanding this, the independent directors have formed the view that those directors which are regarded as not being independent still bring relevant expertise and independent contribution to the Board process.</p>
Recommendation 2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.
Syngas Response	<p>The Chairman of Syngas is an independent non-executive director.</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Recommendation 2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.
Syngas Response	New directors are provided a package of relevant information concerning the Company. All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake continuing professional education.
Principle 3	A listed entity should act ethically and responsibly.
Recommendation 3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.
Syngas Response	<p>Syngas has in place a number of procedures and policy documents to guide the directors, executives, employees, contractors and consultants in making ethical and responsible decisions.</p> <p>The Syngas Code of Ethics and Conduct requires that all directors, executives, employees, contractors and consultants uphold high standards of honesty, fairness and equity in all aspects of their employment and / or association with Syngas.</p> <p>The Procedures restate the <i>Corporations Act</i> prohibition on insider trading, improper use of inside information and the prohibition on making gains by improper use of position.</p> <p>The Procedures also place prohibitions on employees and directors in dealing with Syngas shares at certain times of the year.</p> <p>Each individual must abide by these policies and procedures in order to contribute to the high standard of integrity expected by Syngas.</p>
Principle 4	Safeguard integrity in corporate reporting
Recommendation 4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p style="padding-left: 40px;">(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p style="padding-left: 40px;">(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p style="padding-left: 40px;">(3) the charter of the committee;</p> <p style="padding-left: 40px;">(4) the relevant qualifications and experience of the members of the committee; and</p> <p style="padding-left: 40px;">(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Recommendation 4.1	(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
Syngas Response	<p>The Board has not established a separate audit committee.</p> <p>The Board has decided that there are no efficiencies to be gained by, and, given the current size and composition of the Board, it is not practicable to, form a separate audit committee. The Board considers that it is more appropriate to set aside time at Board meetings to specifically address matters that would ordinarily fall to an audit committee and to ensure the integrity of the corporate reporting processes including the process for appointment and removal of the external auditor.</p> <p>The Board is of the view that this is the best arrangement to grow the business of Syngas in the current development cycle of the Company.</p>
Recommendation 4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
Syngas Response	The Board and auditors are provided with a management representation letter attesting to the above requirements. The Company's Executive Director has provided the Board with the appropriate declarations in relation to the full year, half year, and quarterly financial reports during the reporting period.
Recommendation 4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.
Syngas Response	The Company's external auditor is invited to, and attends the Annual General Meeting. The auditor's presence is made known to shareholders during the meeting, and shareholders are provided with the opportunity to ask questions to the auditor.
Principle 5	Make timely and balanced disclosure
Recommendation 5.1	A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>
Syngas Response	The Compliance Plan is designed to ensure that company announcements are made in a timely manner, are factual, do not omit material information

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
	and are expressed in a clear and objective manner. The plan provides a 'road map' of Syngas compliance with its disclosure obligations.
Principle 6	Respect the rights of security holders
Recommendation 6.1	A listed entity should provide information about itself and its governance to investors via its website.
Syngas Response	<p>Syngas is committed to timely and accurate disclosure of information to shareholders.</p> <p>The Syngas Website (www.syngas.com.au) is currently being updated. The website directs shareholders to the ASX announcement platform for copies of releases made by Syngas to the ASX.</p>
Recommendation 6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.
Syngas Response	<p>In line with adherence to continuous disclosure requirements of ASX, all shareholders are kept informed of major developments affecting the Company. This disclosure is through regular shareholder communications including Annual Reports, Half Yearly Reports, Quarterly Reports and the distribution of specific releases covering major transactions and events or other price sensitive information.</p> <p>Syngas is in the process of formulating an investor relations program.</p>
Recommendation 6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.
Syngas Response	<p>The Board encourages the attendance of Shareholders at Shareholders' meetings and sets the time and place of each meeting to promote maximum attendance by shareholders. Participation at meetings is encouraged.</p> <p>Syngas is in the process of formulating an investor relations program.</p>
Recommendation 6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.
Syngas Response	<p>This option is provided by Syngas' share registry service provider.</p> <p>The Company also encourages electronic communication from its shareholders via its email address (reception@syngas.com.au).</p>
Principle 7	Recognise and manage risk
Recommendation 7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p style="padding-left: 20px;">(1) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">(2) is chaired by an independent director,</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Recommendation 7.1	<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>
Syngas Response	<p>The Company does not currently have a separate risk management committee. The Board has decided that there are no efficiencies to be gained by, and, given the current size and composition of the Board, it is not practicable to, form a separate risk management committee. The Board considers that it is more appropriate to set aside time at board meetings to specifically address matters that would ordinarily fall to a risk management committee.</p> <p>The Board is responsible for approving and reviewing the Company's risk management strategy and policy believes that it has the necessary skills within the Board to ensure a thorough understanding of the Company's key risks and is managing them appropriately.</p> <p>The Board is of the view that this is the best arrangement to grow the business of Syngas in the current development cycle of the Company.</p>
Recommendation 7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>
Syngas Response	<p>The Executive Director reports to the Board on the Company's operations. This includes any analysis of risks facing the business.</p>
Recommendation 7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>
Syngas Response	<p>Given the size and operations of the Company, the Company does not currently have a formal internal audit function, however, the Board oversees the effectiveness of risk management and internal control processes.</p> <p>The Board is of the view that this is the best arrangement to grow the business of Syngas in the current development cycle of the Company.</p>
Recommendation 7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>
Syngas Response	<p>These disclosures are provided in the Annual Report.</p>

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
Principle 8	Remunerate fairly and responsibly
Recommendation 8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="padding-left: 40px;">(1) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 40px;">(2) is chaired by an independent director,</p> <p>and disclose:</p> <p style="padding-left: 40px;">(3) the charter of the committee;</p> <p style="padding-left: 40px;">(4) the members of the committee; and</p> <p style="padding-left: 40px;">(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>
Syngas Response	<p>The Company has not established a separate remuneration committee.</p> <p>The Board has decided that there are no efficiencies to be gained by, and, given the current size and composition of the Board, it is not practicable to, form a separate remuneration committee. The Board considers that it is more appropriate to set aside time at board meetings to specifically address matters that would ordinarily fall to a remuneration committee.</p> <p>The Board specifically acknowledges the relationship between remuneration and performance and its importance in aligning directors' interests to those of all security holders, while ensuring the appropriateness of the value of such remuneration.</p> <p>The Board is of the view that this is the best arrangement to grow the business of Syngas in the current development cycle of the Company.</p>
Recommendation 8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.
Syngas Response	<p>Non-Executive directors are paid a flat fee which is comparable to the Directors' Fees of similar companies. Executive salaries are determined by reviewing similar salary structures of executives with the skills and experience concerned. If thought appropriate the Board will engage an external consultant to advise on suitable remuneration packages.</p> <p>A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report of the Annual Report.</p>
Recommendation 8.3	A listed entity which has an equity-based remuneration scheme should:

CORPORATE GOVERNANCE STATEMENT

Principle	Compliance/Response
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.
Syngas Response	There are no share based payment schemes. This section is not applicable.

TRADING POLICY

Syngas is concerned with minimising conflicts of interest within its business.

Syngas employees and directors may have in their possession sensitive commercial or compliance information which could materially affect the value of Syngas Limited securities.

The suggestion of insider trading by an employee or director would do great harm to the employee/director and also to Syngas irrespective of whether insider trading actually occurs or is proven. The *Corporations Act 2001* prohibits insider trading in relation to financial products. The provisions are wide ranging and breaches are serious offences.

The procedures cover the following areas:

- Insider Trading Prohibition;
- Other relevant *Corporations Act* provisions;
- Dealing in Shares issued by Syngas Limited and its controlled entities;
- Prohibition on Dealing in Financial Products issued over Syngas Shares by Third Parties;
- Related Parties & Relevant Interests.

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2019**

	Note	Consolidated Entity	
		2019 \$	2018 \$
Revenue	2	39	17
Interest expense		(106,841)	(105,081)
Other expenses	2	(258,632)	(241,369)
LOSS BEFORE INCOME TAX (EXPENSE)/BENEFIT		(365,434)	(346,433)
Income tax (expense)/benefit	3	-	-
LOSS AFTER INCOME TAX (EXPENSE)/BENEFIT		(365,434)	(346,433)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(365,434)	(346,433)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS			
BASIC AND DILUTED LOSS PER SHARE (CENTS PER SHARE)			
	5	(0.06)	(0.06)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated Entity	
		2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	6	50,478	9,857
TOTAL CURRENT ASSETS		50,478	9,857
NON-CURRENT ASSETS			
Plant and equipment	7	-	101
TOTAL NON-CURRENT ASSETS		-	101
TOTAL ASSETS		50,478	9,958
CURRENT LIABILITIES			
Trade and other payables	8(a)	630,094	505,982
Borrowings	8(b)	1,513,636	1,381,794
TOTAL CURRENT LIABILITIES		2,143,730	1,887,776
TOTAL LIABILITIES		2,143,730	1,887,776
NET ASSETS		(2,093,252)	(1,877,818)
EQUITY			
Contributed equity	9	35,166,571	35,016,571
Accumulated losses	4	(37,259,823)	(36,894,389)
TOTAL EQUITY		(2,093,252)	(1,877,818)

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

		Consolidated Entity	
	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers & employees		(134,418)	(105,439)
Interest received		39	17
NET CASH USED IN OPERATING ACTIVITIES	11	(134,379)	(105,422)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		-	-
NET CASH USED IN INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		25,000	50,000
Proceeds from Share Issue		150,000	-
NET CASH FROM FINANCING ACTIVITIES		175,000	50,000
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS HELD		40,621	(55,422)
Cash and cash equivalents at beginning of year		9,857	65,279
CASH AND CASH EQUIVALENTS AT END OF YEAR		50,478	9,857

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
AT 1 JULY 2018	35,016,571	-	(36,894,389)	(1,877,818)
Loss for the year	-	-	(365,434)	(365,434)
Total comprehensive loss for the year	-	-	(365,434)	(365,434)
Shares issued during the year	150,000	-	-	150,000
Total shares issued for the year	150,000	-	-	150,000
AT 30 JUNE 2019	35,166,571	-	(37,259,823)	(2,093,252)
AT 1 JULY 2017	35,016,571	-	(36,547,956)	(1,531,385)
Loss for the year	-	-	(346,433)	(346,433)
Total comprehensive loss for the year	-	-	(346,433)	(346,433)
AT 30 JUNE 2018	35,016,571	-	(36,894,389)	(1,877,818)

The accompanying notes form part of these financial statements

NOTE A. BASIS OF PREPARATION OF THE FINANCIAL REPORT**Corporate Information**

The Financial Report of Syngas Limited ACN 062 284 084 ("Parent Entity" or "Company") and its controlled entities ("Consolidated Entity" or "Group") for the year ended 30 June 2019 was authorised for issue in accordance with board of directors' meeting on 22 October 2019.

Syngas Limited is a for-profit company limited by shares incorporated in Australia whose shares are publically traded on the Australian Securities Exchange ("ASX").

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

Basis of Preparation of Accounts

The Financial Report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ("AASBs") and other authoritative pronouncements adopted by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The Financial Report has been prepared on a historical cost basis and is presented in Australian dollars.

Going concern

The consolidated Entity recorded a loss of \$365,434 for the year ended 30 June 2019, net cash operating outflows of \$134,379 and has net liabilities of \$2,143,730 as at 30 June 2019. 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 and can therefore continue normal activities, including the settlement of liabilities and the realisation of assets in the ordinary course of business. 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 raising and have ongoing support of loan facilities in place (note 8). Directors have deferred settlement of all entitlements from the Company for a period of no less than 12 months or until such time the cash flow permits and is not to the detriment of other financial obligations and commitment of the Company.

Specifically, this basis of financial statement preparation is supported by the signing of a Term Sheet on 3 October 2019, which specifies the following key commercial terms:

- 1) Syngas is granted an Option by Tyranna to acquire 100% of the shares of HMP and all the tenements held by Trafford ("Tenements"), collectively referred to as the Jumbuck Gold Project for \$950,000 cash ("Option"). The exercise period for the Option is a period of 7 months from signing of the Term Sheet where Syngas may do all things required to complete the Acquisition and to seek official quotation and re-instatement of its securities to trading on the ASX. The Option can be further automatically extended by 3 months by the payment of \$25,000 by Syngas to Tyranna;
- 2) Syngas has 30 days from signing of the Term Sheet to conduct a due diligence on the Jumbuck Gold Project ("Due Diligence Period") and seek the preliminary approval of the ASX on the restructuring of Syngas;
- 3) A non refundable of Option fee of \$50,000 ("Option Fee") is payable in the following manner:-
 - a) \$10,000 of the Option Fee will be paid in cash, without shareholder approval, within 3 business days of the date of execution of the Term Sheet. This amount has been paid.
 - b) The balance of the Option Fee of \$40,000 shall be paid upon successful completion of the due diligence ("Due Diligence") by Syngas during the Due Diligence Period and the receipt of ASX preliminary approval to the restructuring of Syngas and at this stage the term sheet will be binding.
- 4) Upon completion of the Due Diligence, Syngas and Tyranna may enter into a definitive share purchase agreement ("Purchase Agreement") and any other agreement that may be necessary or desirable to effect the Acquisition which will set out in detail the terms and conditions of the Acquisition including:-
 - a) Syngas to pay \$950,000 to Tyranna as consideration for the acquisition of all the issued capital in HMP and the Tenements upon completion of the Acquisition and approval for the re-instatement of the shares of Syngas to trading on the ASX.
 - b) Tyranna will ensure that the ownership transfer (transfer of title) of the Western Gawler Craton JV tenements in accordance with the Terms of Resolution Dispute between the parties to the Western Gawler Craton JV is completed within the timeframe as per the Deed of Covenant signed on 27 July 2019 and third party agreements are signed for Syngas to assume all obligations and liabilities from settlement.

As part of the Acquisition, the Company is proposing to undertake a restructuring and capital raising which will involve the following:-

(a) Consolidation of shares in Syngas

Syngas currently has 611,440,288 shares in issue. The consolidation of the shares of Syngas involves consolidating 10 existing Syngas shares into 1 Syngas shares giving rise to 61,144,029 shares.

(b) Debt Restructuring of Syngas;

The debt restructuring of the financial statement of Syngas involves the forgiveness of debts owing by the Company, mainly amounts owing to directors, waiver of loan interest due to director/shareholder and conversion of debts into new shares in the Company.

It is proposed that total debts to be forgiven amount to approximately \$1 million and total shares to be issued on conversion of loans and debts are 93.75 million shares at \$0.02 totalling \$1.875 million.

(c) Capital Raising and Acquisition of Jumbuck Gold Project

Syngas intends to issue new shares at \$0.02 to raise a minimum of \$5 million to fund the acquisition of the Jumbuck Gold Project and its exploration expenditure as well as working capital. The final amount will be determined and will be sufficient to ensure that Syngas will satisfy the net asset test as part of its re-instatement to quotation on ASX.

The proposed restructuring is still being finalised and Datuk Siak Wei Low and/or related parties is proposing to underwrite \$2 million of the capital raising.

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. In addition, commitments have been received from Directors confirming ongoing financial support to the Company as and when it is needed, so as to enable the Company to meet its financial commitment as and when they fall due and to carry on business without constrain of operating for a period of no less than 12 months.

Should the directors not achieve the Acquisition, restructuring and relisting detailed above along with other matters set out above or funding support be removed, there is significant 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.

Statement of Compliance

The Financial Report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New accounting standards and interpretations**New or amended accounting standards and interpretations adopted**

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period which includes AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers. This adoption has not resulted in any change to prior year figures, however has resulted in a change in accounting policies as noted below.

Financial Assets**Accounting policies from 1 July 2018**

Syngas measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Syngas subsequently measures all equity investments at fair value. Syngas has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the consolidated entity's right to receive payments is established.

For trade receivables, Syngas applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The consolidated entity has concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on the payment profiles and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information. On that basis, the loss allowance as at 30 June 2019 (on adoption of AASB 9) was determined to be 0% for trade receivables.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Syngas Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note (h)] for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

f. Financial Instruments**Accounting Policies Applied from 1 July 2018****Financial Assets****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Consolidated entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a Consolidated entity of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Accounting Policies Applied until 30 June 2018**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Impairment**

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs of disposal and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

h. Foreign Currency Transactions and Balances**Functional and presentation currency**

The functional currency of each of the Group’s entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity’s functional currency.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

i. Employee Benefits**Short-term employee benefits**

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

j. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**i. Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint ventures are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax.

m. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

p. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**q. Key estimates**

In the process of applying the Consolidated Entity's accounting policies, management has made judgements, estimates and assumptions that affect the reported amounts in the financial statements. The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. Directors consider there to be no material key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period.

r. New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Directors anticipate that the adoption of AASB 16 will have an immaterial impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. REVENUE, OTHER INCOME AND EXPENSES

	Consolidated Entity	
	2019	2018
	\$	\$
REVENUE		
Interest revenue	39	17
TOTAL REVENUE	39	17
OTHER EXPENSES		
Rental expense on office	2,100	1,800
Depreciation of plant and equipment	101	243
Listed company costs	32,949	30,577
Consulting Fees	12,000	12,000
Employment expenses:		
Fees, wages and salaries	168,000	168,000
Other	43,482	28,749
TOTAL OTHER EXPENSES	258,632	241,369

NOTE 3. INCOME TAX

The major components of income tax expense are:

INCOME STATEMENT

Current income tax	-	-
Current income tax benefit	-	-
INCOME TAX BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	-	-

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:

ACCOUNTING LOSS BEFORE INCOME TAX	(365,434)	(346,433)
At the Consolidated Entity's statutory income tax rate of 30% (2018: 30%)	109,630	103,930
Expenditure not allowable for income tax purposes		
Research and development tax concession	-	-
Deferred tax assets not brought to account as realisation is not considered probable	(109,630)	(103,930)
INCOME TAX BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	-	-

Syngas Limited is the head entity of the Syngas Limited group, effective from 1 July 2009. The group has applied a group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. Tax balances transferred within the tax consolidated group are treated as equity transactions by the respective companies under UIG 1052 Tax Consolidation Accounting. Members of the tax consolidated group have not entered into a tax funding agreement. Hence no compensation is receivable or payable for any deferred tax asset or current tax payable (receivable) assumed by the head entity.

The Consolidated Entity does not recognise on the balance sheet deferred tax assets as it is unlikely the company will be able to meet the relevant statutory tests in order to utilise past tax losses at this point of time.

NOTES TO THE FINANCIAL STATEMENTS

Consolidated Entity
2019 **2018**
\$ **\$**

NOTE 4. ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	36,894,389	36,547,956
Net loss for the financial year	<u>365,434</u>	<u>346,433</u>
ACCUMULATED LOSSES AT THE END OF THE FINANCIAL YEAR	<u>37,259,823</u>	<u>36,894,389</u>

NOTE 5. LOSS PER SHARE

Loss from continuing operations used in the calculation of basic and diluted loss per share	(365,434)	(346,433)
Loss used in the calculation of basic and diluted loss per share	(365,434)	(346,433)
Weighted average number of ordinary shares outstanding during The year used in the calculation of basic and diluted loss per share	610,190,288	581,440,288

Diluted loss per share amount for the year was the same as the basic loss per share as instruments outstanding at 30 June 2019 which are considered to be potential ordinary shares had anti-dilutive effects on the basic loss per share.

NOTE 6. CASH AND CASH EQUIVALENT (CURRENT)

Cash at bank	<u>50,478</u>	<u>9,857</u>
TOTAL CASH AND CASH EQUIVALENT	<u>50,478</u>	<u>9,857</u>

NOTE 7. PLANT AND EQUIPMENT

At cost	2,850	2,850
Accumulated depreciation	<u>(2,850)</u>	<u>(2,749)</u>
TOTAL PLANT AND EQUIPMENT	<u>-</u>	<u>101</u>

MOVEMENTS IN THE CARRYING AMOUNT OF EACH CLASS OF PLANT AND EQUIPMENT

PLANT AND EQUIPMENT		
Carrying amount at the beginning of the financial year	101	344
Additions	-	-
Disposals	-	-
Depreciation expense	<u>(101)</u>	<u>(243)</u>
AT THE END OF THE FINANCIAL YEAR	<u>-</u>	<u>101</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8(a).TRADE AND OTHER PAYABLES (CURRENT)

		Consolidated Entity 2019 \$	2018 \$
Creditors and accrued expenses	(a)	630,094	505,982
AT THE END OF THE FINANCIAL YEAR		630,094	505,982

- (a) Includes accrued directors' fees totalling \$591,001 (2018: \$455,001).
The Company has received confirmation from its director to defer payment of director's fees for at least 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.

NOTE 8(b).BORROWINGS

Loan from Director and Director related entity		1,513,636	1,381,794
AT THE END OF THE FINANCIAL YEAR		1,513,636	1,381,794

The Company has received confirmation from the above lenders that neither loan shall be called for 12 months unless 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.

During the period, the Company has drawn \$25,000 from a \$400,000 loan facility with AsiaPacific Businesslink Sdn Bhd. This facility matures on 31 December 2020. AsiaPacific Businesslink Sdn Bhd is an entity associated with Datuk Siak Wei Low, a director of the Company. The Company also has another \$350,000 loan facility with AsiaPacific Businesslink Sdn Bhd which has been fully drawn.

As at 30 June 2019, a total of \$478,278 is owing to AsiaPacific Businesslink Sdn Bhd of which \$375,000 represents principal owing with \$103,278 interest accumulated.

The Company also has a loan facility with Datuk Siak Wei Low, the balance of which stood at \$1,035,357 as at 30 June 2019, being principal of \$700,000 and accumulated interest of \$335,357.

As detailed in Note 19, as part of the proposed corporate restructure, the majority of the related party debt is expected to be forgiven or converted into equity. This is predated on terms as set out being successful.

NOTE 9. CONTRIBUTED EQUITY

611,440,288 (2018: 581,440,288) fully paid ordinary shares		29,296,271	29,146,271
Fully paid converting performance shares		5,870,300	5,870,300
		35,166,571	35,016,571

MOVEMENTS IN ORDINARY SHARES	Number of shares	\$
1 July 2018 Opening Balance	581,440,288	29,146,271
Issued during the year	30,000,000	150,000
AT THE END OF THE FINANCIAL YEAR	611,440,288	29,296,271

CONVERTING PERFORMANCE SHARES

At 30 June 2019, there were no unissued ordinary shares for which performance shares were outstanding (2018: nil). However the value attributed to the original shares issued is retained in Contributed Equity.

TERMS AND CONDITIONS OF CONTRIBUTED EQUITY**Rights attaching to ordinary shares**

The rights attaching to fully paid ordinary shares ("shares") arise from a combination of the Company's Constitution, statute and general law.

Shares issued following the exercise of options rank equally in all respects with the Company's existing shares.

Copies of the Company's Constitution are available for inspection during business hours at the Company's registered office. The clauses of the Constitution contain the internal rules of the Company and define matters such as the rights, duties and powers of its shareholders and directors, including provisions to the following effect (when read in conjunction with the *Corporations Act 2001* or ASX Listing Rules):

- i) Shares**

The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the directors, subject to the *Corporations Act 2001*, ASX Listing Rules and any rights attached to any special class of shares.
- ii) Meetings of Members**

Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the *Corporations Act 2001*. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is 2 natural persons, each of whom is or represents different shareholders who are eligible to vote. The Company holds annual general meetings in accordance with the *Corporations Act 2001* and the ASX Listing Rules.
- iii) Voting**

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll each eligible member has one vote for each fully paid share held.
- iv) Changes to the Constitution**

The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.
- v) Listing Rules**

Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the ASX Listing Rules, and authority is given for acts required to be done by the ASX Listing Rules. The Company's Constitution will be deemed to comply with the ASX Listing Rules as amended from time to time.

At 30 June 2019 there were Nil (2018: Nil) unissued ordinary shares for which options were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11. CASH FLOW INFORMATION

	Consolidated Entity	
	2019	2018
	\$	\$
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS AFTER INCOME TAX		
Loss after tax	(365,434)	(346,433)
<i>Non-cash flows in loss</i>		
Depreciation of property, plant and equipment	101	243
Loan interest accrued	106,841	105,081
<i>Changes in assets and liabilities</i>		
Decrease/(increase) in trade and other receivables	-	-
Increase/(decrease) in trade and other payables	124,113	135,687
NET CASH USED IN OPERATING ACTIVITIES	(134,379)	(105,422)

Credit Standby Arrangement with Banks

Credit facility	Nil	Nil
Amount Utilised	Nil	Nil

NOTE 12. KEY MANAGEMENT PERSONNEL DISCLOSURES

The names and positions of key management personnel of the Company and of the Consolidated Entity who have held office during the financial year are:

DIRECTORS

Richard Ong (appointed 24 November 2014 and continues in office)

David Chee Cheong Low (appointed on 2 November 2015 and continues in office)

Datuk Siak Wei Low (appointed 19 September 2014 and continues in office)

Peter Ng (appointed 1 October 2014 and continues in office)

EXECUTIVES

Ian Gregory - Company Secretary (appointed 21 May 2009 and continues in office)

A) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Consolidated Entity	
	2019	2018
	\$	\$
COMPENSATION BY CATEGORY		
Short term	168,000	168,000
Post employment	-	-
Share based payments	-	-
TOTAL	168,000	168,000

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

B) EQUITY TRANSACTIONS OF KEY MANAGEMENT PERSONNEL

The key management personnel shown in the following tables are those that hold shares or options in the Company.

YEAR ENDED 30 JUNE 2019

	Number of ordinary shares			30 June 2019
	1 July 2018	Issued as consideration	Net change trading	
Datuk Siak Wei Low	113,192,923	-	-	113,192,923
	113,192,923	-	-	113,192,923

YEAR ENDED 30 JUNE 2018

	Number of ordinary shares			30 June 2018
	1 July 2017	Issued as consideration	Net change trading	
Datuk Siak Wei Low	113,192,923	-	-	113,192,923
	113,192,923	-	-	113,192,923

C) LOANS TO/FROM KEY MANAGEMENT PERSONNEL

There were no loans made to any key management personnel during the year ended 30 June 2019 (2018: Nil).

	2019	2018
	\$	\$
Directors' fee accrued (Note 8a)	591,001	455,001
Directors' related entity loan (Note 8b)	1,513,636	1,381,794
	-----	-----
	2,104,637	1,836,795
	=====	=====

D) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with key management personnel and their related entities during the year ended 30 June 2019 other than that with JCL Capital Pty Ltd an entity associated with Mr David Low which has provided administration services at a cost of \$1,000 per month during the year totalling \$12,000 (2018: \$12,000).

NOTE 13. SEGMENT INFORMATION

During the financial years ended 30 June 2019 and 30 June 2018, the Consolidated Entity was engaged in the energy sector and operated in Australia.

Management monitors the operating results of its projects separately for the purposes of making decisions about resource allocation and performance assessment.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. INVESTMENTS IN CONTROLLED ENTITIES

	% Owned		Book value of shares held		Contribution to consolidated profit/(loss)	
	2019	2018	2019	2018	2019	2018
			\$	\$	\$	\$
<i>Parent Entity</i>						
Syngas Limited						
<i>Entities controlled by Syngas Ltd</i>						
Syngas Energy Pty Ltd	100%	100%	-	-	-	-
			-	-	-	-

Syngas Limited is the parent and ultimate parent company and is incorporated in Australia.

Syngas Energy Pty Ltd (formerly Syngas Energy Limited) is incorporated in Western Australia which was dormant for the financial year.

NOTE 15. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans from director and related entity.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Entity	
		2019	2018
		\$	\$
Financial assets			
Cash and cash equivalents	6	50,478	9,857
Trade and other receivables		-	-
Total financial assets		<u>50,478</u>	<u>9,857</u>
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	8(a)	630,094	505,982
- borrowings	8(b)	1,513,636	1,381,794
Total financial liabilities		<u>2,143,730</u>	<u>1,887,776</u>

Financial Risk Management Policies

Management has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. Management monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, currency risk, liquidity risk, and interest rate risk. Management reports to the Board half yearly on the financial risk management of the Group.

Management's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk, and other price risk (equity price risk). There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

NOTE 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Consolidated Entity has no significant concentration of credit risk as its financial assets comprises mainly cash which is held with one financial institution. Surplus cash is invested with Westpac Banking Corporation to mitigate any credit risk in regard to the Consolidated Entity's cash reserves.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the Group has significant credit risk exposures to Australia given the substantial operations in Australia.

The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Consolidated Entity	
	2019	2018
	\$	\$
Cash and cash equivalents:		
– AA rated	50,478	9,857
– A rated	-	-
	50,478	9,857

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- obtaining financial support undertaking from Lender for continued support of the Company;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions;

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Consolidated Entity	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other creditors	39,093	50,981	-	-	-	-	39,093	50,981
Amounts payable to related parties	591,001	455,001	-	-	-	-	591,001	455,001
Borrowings due to related parties	1,513,636	1,381,794	-	-	-	-	1,513,636	1,381,794
Total contractual outflows	2,143,730	1,887,776	-	-	-	-	2,143,730	1,887,776
Total expected outflows	2,143,730	1,887,776	-	-	-	-	2,143,730	1,887,776
Financial assets – cash flows realisable								
Cash and cash equivalents	50,478	9,857	-	-	-	-	50,478	9,857
Trade and other receivable	-	-	-	-	-	-	-	-
Total anticipated inflows	50,478	9,857	-	-	-	-	50,478	9,857
Net (outflow)/ inflow on financial instruments	50,478	9,857	-	-	-	-	50,478	9,857

The Company does not have any interest rate swaps or hedging.

NOTE 15. FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Market risk

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings and cash and cash equivalents.

Interest rate risk can be managed using a mix of fixed and floating rate debt. At 30 June 2019, 100% of group debt is on fixed rate. Current borrowings interest rates are fixed at 10.25% per annum.

At the end of the reporting period, the details of outstanding loan contracts, all of which are to receive fixed interest rate, are as follows:

Consolidated Entity	Effective Average Fixed		Notional Principal	
	Interest Rate Payable			
Maturity of notional amounts	2019	2018	2019	2018
	%	%	\$	\$
Less than 1 year	10.25	10.25	375,000	350,000
1 to 2 years	10.25	10.25	700,000	700,000
2 to 5 years			-	-
			1,075,000	1,050,000

As disclosed in Note 8(b) notional maturity period are predicated on funds being available, otherwise extensions are available.

Since the interest rate of the Group's borrowings are fixed, it does not expose the Group to interest rate risk, which will impact future cash flows and interest charges.

The details of the interest bearing financial assets of the Group are as follows:-

	Notional Principal	
	2019	2018
	\$	\$
Cash at bank	50,478	9,857

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at reporting date would have increased/(decreased) the Group's equity and profit or loss by \$252 (2018: \$49). The Board assessed a 50 basis point movement as being reasonably possible based on short term historical movements. This analysis assumes that all other variables remain constant

(i) *Other market price risk*

The Group is involved in the exploration and development of mining tenements for minerals. Should the Group successfully progress to a producer, revenues associated with mineral sales, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.

NOTE 15. FINANCIAL RISK MANAGEMENT (CONTINUED)**(ii) Foreign exchange risk**

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which are other than the AUD functional currency of the Group.

As at 30 June 2019, the Consolidated Entity has no assets or liabilities denominated in foreign currencies (2018: Nil).

(iii) Other market price risk

The Group is currently seeking out opportunities in the energy sector and does not yet generate any revenue. Should the Group successfully progress to an energy producer, revenues associated with energy generation, and the ability to raise funds through equity and debt, will have some dependence upon commodity prices.

FAIR VALUES

The aggregate net fair value of the Consolidated Entity's financial assets and financial liabilities approximates their carrying amounts in the financial statements. Cash assets are carried at amounts approximating fair value because of their short term nature to maturity. Receivables and payables are carried at amounts approximating fair value. Financial assets held for trading are restated to fair value at year end.

NOTE 16. RELATED PARTY TRANSACTIONS

The Company is not controlled by any other entity.

The directors in office at 30 June 2019, and their related entities, held directly, indirectly or beneficially 113,192,923 ordinary shares in the Company (2018: 113,192,923).

Refer to Note 12(c) for disclosures of loan balances and accrued fees payable to related parties.

NOTE 17. DIVIDENDS

No dividends have been paid or proposed during the year (2018: Nil).

NOTE 18. SHARE BASED PAYMENTS**Year ended 30 June 2019**

No shares were issued during the year ended 30 June 2019.

Year ended 30 June 2018

No shares were issued during the year ended 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. EVENTS SUBSEQUENT TO BALANCE DATE

There are no events subsequent to the financial year ended 30 June 2019 other than the Acquisition of the Jumbuck Gold Project detailed in the Review of Operations above and the proposed restructuring and capital raising disclosed in this financial statement.

NOTE 20. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 June 2019 (2018: Nil) other than disclosed in Note 19.

NOTE 21. PARENT COMPANY DISCLOSURES

Financial position	2019	2018
	\$	\$
Assets		
Current assets	50,478	9,857
Non-current assets	-	101
Total assets	<u>50,478</u>	<u>9,958</u>
Liabilities		
Current liabilities	2,143,730	1,887,776
Non-current liabilities	-	-
Total liabilities	<u>2,143,730</u>	<u>1,887,776</u>

NOTE 21. PARENT COMPANY DISCLOSURES (CONTINUED)

Financial position	2019	2018
	\$	\$
Equity		
Issued capital	35,166,571	35,016,571
Retained earnings	(37,259,823)	(36,894,389)
Total equity	<u>(2,093,252)</u>	<u>(1,877,818)</u>

Financial performance

	Year ended 30 June 2019	Year ended 30 June 2018
	\$	\$
Loss for the year	(365,434)	(346,433)
Other comprehensive loss	-	-
Total comprehensive loss	<u>(365,434)</u>	<u>(346,433)</u>

The Company has not provided guarantees in relation to the debts of its subsidiaries.

NOTE 22. REMUNERATION OF AUDITOR

During the year the following fees were paid or payable for services provided by the auditor of the Company and Consolidated Entity:

Services

	Consolidated	
	2019	2018
	\$	\$
Audit or review of financial reports (Moore Stephens)	21,610	21,680
Non-audit services – tax compliance	8,750	3,500
Total remuneration	<u>30,360</u>	<u>25,180</u>

DIRECTORS' DECLARATION

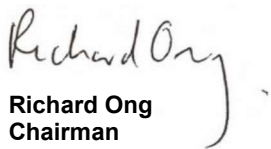
In accordance with a resolution of the directors of Syngas Limited ACN 062 284 084 ("Company"), I state that:

1) In the opinion of the directors:

- (a) The financial statements, notes and the additional disclosures included in the Directors' Report designated as audited, of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) Complying with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) Giving a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Consolidated Entity;
- (b) Subject to achievement of the matters set out in Note 1 to the Financial Report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

On behalf of the board of directors.


Richard Ong
Chairman
22 October 2019

Moore Stephens Audit (Vic)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYNGAS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Syngas Limited and its controlled entity (the Company), which comprises the (consolidated) statement of financial position as at 30 June 2019, the (consolidated) statement of profit or loss and other comprehensive income, the (consolidated) statement of changes in equity and the (consolidated) statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note A in the financial report, which indicates that the company incurred a net loss of \$365,434 during the year ended 30 June 2019, a net operating cash outflow of \$134,379 and, as of that date, the company's total liabilities exceeded its total assets by \$2,093,252. These conditions, along with other matters set forth in Note A indicate the existence of a material uncertainty that may cast doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial report of the current period. Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13, of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Syngas Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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



RYAN LEEMON
Partner
Audit & Assurance Services

Melbourne, Victoria

22 October 2019

AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

Additional Information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The shareholder information was applicable as at 18 October 2019

(a) Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number held	Percentage
Global Bridge Group Ltd	110,000,000	17.99
Malindo Minerals Ltd	100,000,000	16.35
APB Capital Holdings Ltd	75,714,286	12.38
Swann & Jenkins Pty Ltd	39,550,000	6.47
Apb Capital Holdings Ltd	37,478,637	6.13

(b) Voting rights

Ordinary shares

On a show of hands every member present at a meeting of shall have one vote and, upon a poll, each share shall have one vote.

Options

There are no voting rights attached to the options.

(c) Distribution of ordinary shares

Category	Total holder	No of Shares	% of Issued Shares
1 - 1,000	54	15,852	0.00
1,001 - 5,000	159	486,449	0.08
5,001 - 10,000	123	1,045,756	0.17
10,001 - 100,000	467	19,505,504	3.19
100,001 Over	254	590,386,727	96.56
Total	1,057	611,440,288	100.00

Based on the share price of \$0.004 per share, there were 820 holders of less than a marketable parcel of ordinary shares holding 23,040,014 shares.

AUSTRALIAN SECURITIES EXCHANGE (ASX) ADDITIONAL INFORMATION

Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares are listed below:

Name	Number Held	% of Issued Shares
Global Bridge Group Ltd	110,000,000	17.99
Malindo Minerals Ltd	100,000,000	16.35
APB Capital Holdings Ltd	75,714,286	12.38
Swann & Jenkins Pty Ltd	39,550,000	6.47
APB Capital Holdings Ltd	37,478,637	6.13
Cannard Family Superannuation Fund Pty Ltd <Cannard Family Super A/C>	30,000,000	4.91
Ms Sihol Marito Gultom	28,330,000	4.63
Mr Peter Andrew Proksa	22,000,000	3.60
Citicorp Nominees Pty Limited	8,110,000	1.33
Roebeach Pty Ltd <Corundum Superfund A/C>	5,570,859	0.91
Kangsav Pty Limited	5,192,928	0.85
ATA Trading Pty Ltd	4,963,635	0.81
Mrs Sandhiya Pathik	4,861,312	0.80
Cappafield Pty Ltd <Cappafield Super A/C>	4,000,000	0.65
Mr Andrew Spanos + Mrs Constandina Spanos <A & C Spanos Super Fund A/C>	3,867,222	0.63
Mrs Smaro Makris + Mr Dimitrios Makris <Makris Super Fund A/C>	3,357,604	0.55
Eeep Pty Ltd <Fagan Super Fund Account>	2,730,000	0.45
Mr Maethee Ieamprapai	2,500,000	0.41
Mr Marcel Kunath	2,500,000	0.41
Mrs Marie Takla Glavas	2,000,000	0.33
Sub-total - Top 20 holders	492,726,483	80.58
Remaining Holders	118,713,805	19.42
	611,440,288	100.00

On-Market Buy Back

There is no current on-market buy back.

INTERESTS IN TENEMENTS

Nil