



26 May 2017

Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sirs,

**Re: Announcement to the market**

In accordance with Australian Stock Exchange (ASX) Listing Rule 4.2A, Sietel Limited has attached its Half Year Report and Appendix 4D for the half year period ended 31 March 2017.

Yours sincerely  
Sietel Limited



Richard Rees  
Managing Director

# Appendix 4D

## Half-year report

### Period ending 31 March 2017

Name of entity

<b>SIETEL LIMITED</b>
-----------------------

ABN or equivalent company reference

Half yearly  
(tick)

Preliminary  
final (tick)

Financial year ended ('current period')

<b>75 004 217 734</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>31 MARCH, 2017</b>
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#### Results for announcement to the market

\$A'000

Revenues from ordinary activities	Up	1%	to	3,750
Profit (loss) from ordinary activities after tax attributable to members	Up	3,030%	to	646
Net profit (loss) for the period attributable to members	Up	3,030%	to	646

<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
<b>Ordinary</b>		
Final dividend	N/A	NIL
Interim dividend	N/A	NIL
Previous corresponding period	N/A	NIL
<b>Preference</b>		
Paid 6 Jan 2017 (Record date: 3 Jan 2017)	5 ¢	NIL

Record date for determining entitlements to the dividend.

<b>Ordinary – N/A</b> <b>Preference – 3 Jan 2017</b>
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A brief explanation of any of the figures reported above necessary to enable the figures to be understood.

The directors are pleased to announce an operating profit for half year ended 31 March 2017 of \$646,281.

## Ratios and Other Measures

	Current period	Previous Corresponding Period
<b>Profit before tax / revenue</b> Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	18.06%	6.39%
<b>Profit after tax / <sup>+</sup>equity interests</b> Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	1.00%	0.03%

## Earnings per security (EPS)

$$\begin{aligned} \text{Basic EPS} &= \frac{\text{Profit/loss for the period}}{\text{No. Of ordinary securities}} = \frac{646,281}{8,007,479} = 8.07\text{¢} \\ \text{Diluted EPS} &= \frac{\text{Profit/loss for the period}}{\text{No. Of ordinary securities} + \text{Preference securities}} = \frac{646,281}{8,007,479+75,000} = 8.00\text{¢} \end{aligned}$$

NTA backing	Current period	Previous Corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	805 CENTS	742 CENTS

# **SIETEL LIMITED**

**ABN 75 004 217 734**

## **INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 MARCH 2017**

**SIETEL LIMITED**

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**SIETEL LIMITED**  
**DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 MARCH 2017**

The directors of the Company in office at the date of this report are:  
Delwyn Garland Rees, Geoffrey Lloyd Rees and Richard Rees.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 September 2016 and considered together with any public announcements made by Sietel Limited during the half-year ended 31 March 2017 and to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

**REVIEW OF OPERATIONS**

The investment properties owned by the Chief Entity have been tenanted for the half year with the exception of one small office that has been successfully leased post 31 March 2017.

Cook's Body Works Pty Ltd, continued to occupy one of the Chief Entity's properties in the Moorabbin area.

Cook's Body Works Pty Ltd has continued to experience varied results with fluctuating demand for its product, thereby hindered profitability.

Cook's management have worked on expansion of the customer base and product offering to improve sales and margin performance of the business.

The Company's management assisted by the non-executive directors have reviewed various investment options in the real estate, listed equities, direct investment and product development markets over the half year with the objective of improving the medium to long term performance of the group.

The directors continue to review the balances of investment fund allocation between cash equivalents and longer term investments such as listed equities, real estate and operating businesses via subsidiary companies with the objective of achieving long term profitable performance, but realising current gains as opportunities arise.

The subsidiary AAA has experienced difficulty with their third party offshore manufacturer. The distribution of a limited range of domestic gas water systems into the Australian market has resulted in issues relating to the production process. These issues have since been resolved, with the expectation that the manufacturer will correct all previously purchased products.

The Cylinder Company operated below budget during the half year and is currently reviewing its charge rates with the objective of improving performance.

## **DIRECTORS' REPORT (cont.)**

### **OPERATING RESULTS**

The consolidated profit of the Consolidated Entity, after providing for an income tax expense of \$30,923 (2016 \$217,546 tax expense), amounted to \$646,281 (2016 \$20,651).

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the Consolidated Entity during this period.

### **DIRECTORS' INTEREST IN ORDINARY SHARES AS AT 31 MARCH 2017**

Director	Ordinary Shares in name of Director  Mar-17	Ordinary Shares in name of Director  Sep-16	Ordinary shares in which Directors may have relevant interest Mar-17	Ordinary shares in which Directors may have relevant interest Sep-16
D. G. Rees	66,211	66,211	5,310,694	5,310,694
R. Rees	529,239	529,239	6,112,339	6,112,339
G. Rees	2,000	2,000	4,594,063	4,594,063

### **DIRECTORS' MEETINGS**

During the financial half-year the attendance at Directors' meetings was as follows:

	Meetings held	Meetings attended
D.G. Rees	4	4
R. Rees	4	4
G. L. Rees	4	4

**DIRECTORS' REPORT (cont.)**

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration for the half-year ended 31 March 2017 is included on page 9 of the Interim Financial Report.

This report is signed in accordance with a resolution of the Directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Board



Mr. G. L. Rees  
Director



Mr. R. Rees  
Director

Moorabbin, 26 May, 2017



## **AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SIETEL LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 March 2017 there have been:

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



**Nexia Melbourne Audit Pty Ltd**



**Richard S. Cen**  
Director

Melbourne  
Dated this 26 day of May 2017

**SIETEL LIMITED**  
**CONSOLIDATED INTERIM STATEMENT**  
**OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 MARCH 2017**

	<u>Half-Year Ended</u> <u>31 March 2017</u>	<u>Half-Year Ended</u> <u>31 March 2016</u>
	\$	\$
Revenues from ordinary activities	3,749,619	3,725,913
Expenses from ordinary activities	(3,072,415)	(3,487,716)
Finance costs	-	-
<b>Profit (loss) from ordinary activities before income tax expense</b>	<b>677,204</b>	<b>238,197</b>
Income tax (expense)/revenue relating to ordinary activities	(30,923)	(217,546)
<b>Profit (loss) from ordinary activities after income tax expense</b>	<b>646,281</b>	<b>20,651</b>
<b>Other Comprehensive Income</b>		
<b>Items that may be reclassified subsequently to profit or loss</b>		
Gain (loss) on available for sale investments taken to equity	2,714,126	418,223
Deferred tax on (gain) loss on investments available for sale	(602,325)	(102,565)
<b>Total other comprehensive income</b>	<b>2,111,801</b>	<b>315,658</b>
<b>Total Comprehensive Income for the period</b>	<b>2,758,082</b>	<b>336,309</b>
<b>Earnings per share (EPS)</b>		
Basic EPS (cents per share)	8.07	0.26
Diluted EPS (cents per share)	8.00	0.26
<b>Profit/(Loss) for the period attributable to:</b>		
Non-controlling interest	(1,890)	(7,100)
Owners of the Parent	648,171	27,751
	<b>646,281</b>	<b>20,651</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>		
Non-controlling interest	(1,890)	(7,100)
Owners of the Parent	2,759,972	343,409
	<b>2,758,082</b>	<b>336,309</b>

**SIETEL LIMITED**  
**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	As At <u>31-Mar-17</u> \$	As At <u>30-Sep-16</u> \$
<b>Current Assets</b>		
Cash and cash equivalents	8,679,145	7,903,817
Trade and other receivables	247,812	542,828
Inventories	296,884	441,754
Other current assets	313,752	202,851
Current tax receivables	7,697	-
<b>Total Current Assets</b>	<u><b>9,545,290</b></u>	<u><b>9,091,250</b></u>
<b>Non-Current Assets</b>		
Financial assets	29,498,463	26,294,461
Property, plant and equipment	2,582,448	2,683,997
Investment property	25,682,843	26,165,351
Deferred tax assets	783,468	762,569
<b>Total Non-Current Assets</b>	<u><b>58,547,222</b></u>	<u><b>55,906,378</b></u>
<b>Total Assets</b>	<u><b>68,092,512</b></u>	<u><b>64,997,628</b></u>
<b>Current Liabilities</b>		
Trade and other payables	554,972	673,631
Other liabilities	318,677	213,079
Provisions	1,015,697	1,046,487
Current tax liabilities	-	210,618
<b>Total Current Liabilities</b>	<u><b>1,889,346</b></u>	<u><b>2,143,815</b></u>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	1,733,763	1,138,743
<b>Total Non-Current Liabilities</b>	<u><b>1,733,763</b></u>	<u><b>1,138,743</b></u>
<b>Total Liabilities</b>	<u><b>3,623,109</b></u>	<u><b>3,282,558</b></u>
<b>Net Assets</b>	<u><b>64,469,403</b></u>	<u><b>61,715,070</b></u>
<b>Equity</b>		
Issued capital	4,257,129	4,257,129
Reserves	5,442,251	3,330,450
Retained earnings	54,837,265	54,192,843
	64,536,645	61,780,422
Non-controlling interest	(67,242)	(65,352)
<b>Total Shareholders' Equity</b>	<u><b>64,469,403</b></u>	<u><b>61,715,070</b></u>

**SIETEL LIMITED**  
**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 MARCH 2017**

<u>Economic Entity</u>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Non- Controlling Interest (NCI)</b>	<b>Total Equity</b>
Balance at 1 October 2015	4,257,129	2,267,093	52,597,599	(47,055)	59,074,766
Net profit (loss) for the period	-	-	27,751	(7,100)	20,651
Other comprehensive income	-	315,658	-	-	315,658
Dividends paid	-	-	(3,750)	-	(3,750)
Balance at 31 March 2016	<u>4,257,129</u>	<u>2,582,751</u>	<u>52,621,600</u>	<u>(54,155)</u>	<u>59,407,325</u>
Balance at 1 October 2016	4,257,129	3,330,450	54,192,843	(65,352)	61,715,070
Net profit (loss) for the period	-	-	648,171	(1,890)	646,281
Other comprehensive income	-	2,111,801	-	-	2,111,801
Dividends paid	-	-	(3,750)	-	(3,750)
Balance at 31 March 2017	<u>4,257,129</u>	<u>5,442,251</u>	<u>54,837,264</u>	<u>(67,242)</u>	<u>64,469,403</u>

**SIETEL LIMITED**  
**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 MARCH 2017**

	<b>Half-Year Ended 31 March 2017</b>	<b>Half-Year Ended 31 March 2016</b>
	\$	\$
<b>Cash flows from Operating Activities</b>		
Receipts from customers	3,452,227	3,395,980
Payment to suppliers & employees	(2,165,135)	(1,806,709)
Income tax paid	(277,442)	(161,540)
Interest received	92,478	61,234
Dividends received	499,931	583,106
<b>Net cash provided by (used in) operating activities</b>	<b>1,602,059</b>	<b>2,072,071</b>
<b>Cash flows from Investing Activities</b>		
Proceeds from sale of financial assets	-	111,167
Payment for property, plant & equipment	(25,038)	(6,249)
Payment for investment properties	(8,492)	-
Payment for financial assets	(789,451)	(1,542,927)
<b>Net cash provided by (used in) investing activities</b>	<b>(822,981)</b>	<b>(1,438,009)</b>
<b>Cash flows from Financing Activities</b>		
Dividends paid	(3,750)	(3,750)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,750)</b>	<b>(3,750)</b>
Net increase (decrease) in cash flows	775,328	630,312
Cash at beginning of period	7,903,817	7,357,509
<b>Cash at end of period</b>	<b>8,679,145</b>	<b>7,987,821</b>

**SIETEL LIMITED**  
**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 MARCH 2017**

**1. Summary of Significant Accounting Policies**

The significant accounting policies that have been adopted in the preparation of this half-year financial report are the same accounting policies and methods of computations as those applied in the most recent annual financial report, unless otherwise stated.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 September 2016 and considered together with any public announcements made by Sietel Limited during the half-year ended 31 March 2017 and to the date of this report in accordance with the continuous disclosure obligations of the ASX listing rules.

**Basis of Preparation of Half-Year Report**

This general purpose interim financial report for the half-year ended 31 March 2017 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and operating, financing and investing activities of the consolidated entity as the full financial report.

**2. Dividends Paid**

**Half Year Ended 31 March 2017**

<b>Class</b>	<b>Date Paid</b>	<b>Amount Per Security</b>	<b>Total</b>
Ordinary – 8,007,479 shares	N/A	N/A	N/A
Preference – 75,000 shares	6 January 2017	5 ¢	\$3,750

**Half Year Ended 31 March 2016**

<b>Class</b>	<b>Date Paid</b>	<b>Amount Per Security</b>	<b>Total</b>
Ordinary – 8,007,479 shares	N/A	N/A	N/A
Preference – 75,000 shares	7 January 2016	5 ¢	\$3,750

**SIETEL LIMITED**  
**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 MARCH 2017**

**3. Controlled Entities and Segment Reporting**

(a) Entities controlled by ultimate parent entity Sietel Ltd and contribution to Consolidated Profit(Loss)

Name of Controlled Entity of Sietel Limited	Beneficially Owned by Sietel Ltd		Contribution to consolidated operating Profit/(loss) after income tax attributable to members of the chief entity		Investment by Sietel Ltd at cost	
	2017 %	2016 %	2017 \$	2016 \$	2017 \$	2016 \$
<b>Continuing operations</b>						
Cooks Body Works Pty Ltd <sup>(1)</sup>	100	100	(144,036)	(174,354)	290,000	290,000
The Cylinder Co Pty Ltd <sup>(1)</sup>	100	100	(258,737)	111	60	60
ABN 17 006 852 820 Pty Ltd <sup>(1)</sup>	100	100	(569)	419,531	481,713	481,713
Alliance Appliances Australia P/L <sup>(1)</sup>	80	80	(9,452)	(35,502)	235,000	235,000
Sietel Limited <sup>(1)</sup>	N/A	N/A	1,059,075	(189,135)	-	-
<b>Total</b>			<b>646,281</b>	<b>20,651</b>	<b>1,006,773</b>	<b>1,006,773</b>

<sup>(1)</sup>Companies incorporated in Australia.

(b) Segment Reporting

	Revenue		Results		Assets		Liabilities		Depreciation	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>Continuing operations</b>										
Investments	2,392	2,725	1,059	231	65,903	60,609	3,159	2,834	603	640
Operations	1,358	1,001	(413)	(210)	2,190	1,825	464	192	14	15
<b>TOTAL</b>	<b>3,750</b>	<b>3,726</b>	<b>646</b>	<b>21</b>	<b>68,093</b>	<b>62,434</b>	<b>3,623</b>	<b>3,026</b>	<b>617</b>	<b>655</b>

**4. Related Party Transactions**

The Group has had no material or unusual related party transactions during the half-year ended 31 March 2017. Arrangements with related parties continue to be in place and transactions for the half-year to 31 March 2017 are similar in nature to those for the year ended 30 September 2016.

Full details of the Group's related party transactions for the year ended 30 September 2016 can be found in the Group's 2016 Annual Report.

**5. Subsequent Events**

No other matter or circumstance has arisen since 31 March 2017 that has significantly affected or may significantly affect the operating results or state of affairs of the company in the near future.

**SIETEL LIMITED**  
**CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 MARCH 2017**

**6. Movement in Reserves**

Sietel Limited complies with AASB 139 in regards to the measurement of financial assets.

	<b>Half Year Ended 31 March 2017</b>	<b>Year Ended 31 March 2016</b>
New impairment	299,574	959,947
<b>Impairment Loss/(Gain)</b>	<b>299,574</b>	<b>959,947</b>
Gain transferred to equity	1,648,659	524,610
Less Reversal from equity	(243,234)	(285,290)
Add Reversal of impairment	711,554	85,036
Less Re-Impair previous impairment reversals	(5,178)	(8,698)
<b>Net gain/(loss) on available for sale financial assets</b>	<b>2,111,801</b>	<b>315,658</b>

Gains transferred to equity are net of income tax at the rate of 30% (2016: 30%), impairment reversed to equity are at the gross values.

**7. Capital and Leasing Commitments**

	<b>Half Year Ended 31 March 2017</b>	<b>Year Ended 30 Sept 2016</b>
Finance Leasing Commitments		
Total finance lease liability	-	-
Capital Commitments		
- Less than 1 year		
Clinical Genomics	-	47,955
Perkii Pty Ltd	-	187,502
OneVentures Innovation and Growth Fund II	208,227	376,577
OneVentures Nominees Vaxxas Bare Trust - B	30,512	30,512
One Ventures Healthcare Fund III	616,440	-
- Longer than 1 years, not longer than 5 years	-	-
- Longer than 5 years	-	-
	<b>855,179</b>	<b>642,546</b>



**SIETEL LIMITED  
DIRECTORS' DECLARATION  
FOR THE HALF-YEAR ENDED 31 MARCH 2017**

In the Directors' opinion:

- a) The attached financial statements and notes thereto comply with Accounting Standard AASB134 Interim Financial Reporting;
- b) The attached financial statements and notes thereto comply with *Corporations Act 2001* on Interim Financial Reporting;
- c) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity;
- d) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed, in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Mr. G.L. Rees  
Director



Mr. R. Rees  
Director

Moorabbin,  
26 May 2017

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SIETEL LIMITED**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Sietel Limited, which comprises the condensed consolidated statement of financial position as at 31 March 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

The directors of the consolidated entity are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sietel Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Sietel Limited.

## Conclusion

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

- a. giving a true and fair view of the consolidated entity's financial position as at 31 March 2017 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Nexia

**Nexia Melbourne Audit Pty Ltd**



**Richard S. Cen**  
Director

Melbourne  
Dated this 26 day of May 2017

