

Appendix 4D

Interim financial report for half-year ended 31 December 2020

Name of entity	Sinetech Limited
ABN	56 125 943 240
Half-year ended	31 December 2020
Previous corresponding reporting period	31 December 2019

Results for announcement to the market

Revenue from ordinary activities – discontinued operations ¹	equal	Nil	to	Nil
Loss from ordinary activities after tax attributable to the owners of Sinetech Limited	down	70%	to	(\$217,807)
Loss for the period attributable to the owners of Sinetech Limited	down	70%	to	(\$217,807)

¹ Operating businesses were sold on 11 May 2018.

Dividends

No dividends were paid or proposed to members during the half-year ended 31 December 2020 or in the previous half-year.

Brief explanation of results

A net loss after tax of \$217,807 is reported by the Group for the half-year ended 31 December 2020 (31 December 2019 loss: \$731,399).

Refer to the directors' report, financial statements and supporting notes in the attached Interim Report for the half-year ended 31 December 2020 for additional detail.

Supplementary Appendix 4D information

Dividend reinvestment plans

There are no dividend reinvestment plans in operation.

Net tangible assets per security

NTA backing	31 December 2020	30 June 2020
Net tangible asset backing per ordinary security (undiluted)	0.04 cents	0.06 cents

Control gained or lost during the period

Control gained

There were no transactions entered into by the group during the half-year ended 31 December 2020 that resulted in control being gained over any entities.

Control lost

There were no transactions entered into by the group during the half-year ended 31 December 2020 that resulted in control being gained over any entities.

Subsidiaries

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

Name of entity	Country of incorporation	Class of Shares	Equity Holding 31 Dec 2020	Equity Holding 30 June 2020
Controlled entity			%	%
Longreach Number 2 Pty Ltd	Australia	Ordinary	100%	100%

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

Associates and joint venture entities

Nil

Report based on audited accounts

This report has been based on the attached accounts which have been reviewed by the Group's auditors.



ACN 125 943 240

Interim Financial Report
For the half-year ended 31 December 2020

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Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as Sinetech or the Group) consisting of Sinetech Limited (referred to as the Company) and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

Derek Hall	Non-Executive Chairman
Terry Butler	Non-Executive Director
Warren Barry	Non-Executive Director (appointed 1 August 2020)
Daniel Coletta	Non-Executive Director (appointed 15 January 2021)
Bert Mondello	Non-Executive Chairman (resigned 15 January 2021)

Principal activities and significant changes in principal activities

During the period, the principal activity of the Group consisted of actively pursuing other business opportunities.

Financial Results

The loss after tax of the Group for the half-year ended 31 December 2020 was \$217,807 (31 December 2019 loss: \$731,399). Earnings loss per share was 0.02 cents (31 December 2019: loss per share 0.10 cents).

At 31 December 2020, cash and cash equivalents totalled \$306,764 (30 June 2020: \$172,344). During the half-year the company sold part of its shareholding in ASX listed company IncentiPay (ASX:INP). Net proceeds from the disposal totalled \$252,604, and at the date of this report, the Company still maintains a shareholding of IncentiPay with a market value of \$436,821.

Dividends

The directors recommend that no dividend be paid or declared at this point in time. No amounts have been paid or declared by way of dividend during the half-year.

Events since the end of the financial half-year

On 11 February 2021, the Company announced that it had entered into a binding share sale agreement with the shareholders of HPAA Pty Ltd to acquire 100% of the issued capital in HPAA Pty Ltd. HPAA Pty Ltd is the legal and beneficial owner of four granted tenements and one tenement application which comprise four exploration projects in Western Australia prospective for high-grade, low impurity kaolin and silica. The acquisition is subject to a number of conditions precedent which include completing a capital raising to raise a minimum of \$4,000,000 and up to a maximum of \$5,000,000.

Apart from the above, there are no other matters or circumstances that have arisen since 31 December 2020 that have affected or may significantly affect the operations, results, or state of affairs of the Group in future financial years.

Directors' Report (continued)

Future developments and expected results of operations

The Board's primary goal is to return the Company to trading on the ASX with completion of the proposed acquisition of HPAA Pty Ltd. The Company's ended the half year with a working capital balance that will assist the Company to meet potential acquisition and ASX re-compliance costs associated with the potential acquisition.

On behalf of the Board of Directors.



Derek Hall

Non-Executive Chairman

26 February 2021

Criterion Audit Pty Ltd

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To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of Sinetech Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 26th day of February 2021

Consolidated statement of profit or loss and other comprehensive income For the half-year ended 31 December 2020

	Note	Consolidated for half year ended 31 Dec 2020 \$	Consolidated for half year ended 31 Dec 2019 \$
Revenue		-	-
Total revenue		-	-
Director and employee benefits expenses		(95,500)	(69,000)
Consulting, accounting and professional fees		(164,500)	(38,318)
Compliance and regulatory		(32,758)	(17,613)
Bad debt expense	4	(60,000)	-
Other expenses		(4,087)	(13,203)
Operating (loss)		(356,845)	(138,134)
Fair value profit/(loss) on financial assets at fair value through profit or loss		16,179	(534,071)
Profit/(loss) on sale of financial assets at fair value through profit or loss		122,859	-
Loss before income tax expense		(217,807)	(672,205)
Income tax benefit / (expense)		-	-
Loss after tax from continuing operations		(217,807)	(672,205)
Profit / (loss) after tax from discontinued operations	7	-	(59,194)
Loss for the half year		(217,807)	(731,399)
Other comprehensive loss			-
Total comprehensive loss for the half year		(217,807)	(731,399)
Loss attributable to:			
Owners of the parent		(217,807)	(731,399)
Total comprehensive loss attributable to:			
Owners of the parent		(217,807)	(731,399)
		Cents	Cents
Earnings per share			
Basic loss per share (weighted average)		(0.02)	(0.10)
Diluted loss per share (weighted average)		(0.02)	(0.10)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2020

	Note	Consolidated 31 Dec 2020 \$	Consolidated 30 Jun 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		306,764	172,344
Trade and other receivables	4	11,462	10,801
Other financial assets	5	436,821	550,643
Total current assets		755,047	733,788
Non-current assets			
Trade and other receivables	4	-	60,000
Total non-current assets		-	60,000
Total assets		755,047	793,788
LIABILITIES			
Current liabilities			
Trade and other payables	6	376,924	197,858
Total current liabilities		376,924	197,858
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		376,924	197,858
Net assets		378,123	595,930
EQUITY			
Contributed equity		30,075,664	30,075,664
Accumulated losses		(29,697,541)	(29,479,734)
Total equity		378,123	595,930

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half-year ended 31 December 2020

	Consolidated for half year ended 31 Dec 2020 \$	Consolidated for half year ended 31 Dec 2019 \$
Cash inflow / (outflow) from operating activities		
Payments to suppliers and employees	(118,439)	(39,682)
Net cash outflow from operating activities	(118,439)	(39,682)
Cash inflow / (outflow) from investing activities		
Proceeds from sale of Australian listed securities	252,859	-
Net cash inflow (outflow) from investing activities	252,859	-
Cash inflow / (outflow) from financing activities		
Proceeds from issues of ordinary shares net of share issue costs	-	98,461
Drawdown of borrowings (net of costs)	-	-
Repayment of borrowings	-	-
Net cash inflow from financing activities	-	98,461
Net increase in cash and cash equivalents	134,420	58,779
Cash and cash equivalents at beginning of half-year	172,344	62,648
Cash and cash equivalents at end of half-year	306,764	121,427

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the half-year ended 31 December 2020

	Attributable to owners of Sinetech Limited				
	Contributed equity	Accumulated losses	Option reserve	Performance share reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	30,075,664	(29,479,734)	-	-	595,930
Loss for half-year	-	(217,807)	-	-	(217,807)
Total comprehensive loss for half-year	-	(217,807)	-	-	(217,807)
Balance 31 December 2020	30,075,664	(29,697,541)	-	-	378,123

	Contributed equity	Accumulated losses	Option reserve	Performance share reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	29,785,414	(29,487,377)	31,090	694,370	1,023,497
Loss for half-year	-	(731,399)	-	-	(731,399)
Total comprehensive loss for half-year	-	(731,399)	-	-	(731,399)
Balance 31 December 2019	29,785,414	(30,218,776)	31,090	694,370	292,098

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the interim consolidated financial statements

For the half-year ended 31 December 2020

Note 1. Basis of preparation

(a) Compliance with accounting standards

This condensed half-year financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standard AASB 134: Interim Financial Reporting*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the most recent annual financial report of the Group, together with any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

(b) Historical cost convention

The financial statements have been prepared on an accruals basis and are based on historical cost, except for the available-for-sale assets when held, which have been measured at fair value. The Group is domiciled in Australia and all amounts are presented in Australian dollars.

For the purpose of preparing this financial report, the half-year has been treated as a discrete reporting period.

(c) Going concern

The financial statements have been prepared on a going concern basis, which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The loss after tax of the Group for the half-year ended 31 December 2020 was \$217,807 (31 December 2019 loss: \$731,399) including fair value gain on financial assets at fair value through profit or loss of \$16,179 (31 December 2019 loss: \$534,071) and had a net cash outflow from operating activities of \$118,439 (31 December 2019: \$39,682).

The Board consider that Sinetech is a going concern and recognises that additional funding is required to ensure that it can continue to fund its operations during the twelve month period from the date of this report. Such additional funding, as the company has successfully accessed previously, can be derived from either one or a combination of the following:

- Raising additional capital to fund the Group's ongoing operational and working capital requirements, as and when required; or
- Debt finance, including convertible notes issues.

Accordingly, the Directors believe that subject to prevailing equity market conditions, Sinetech will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in preparation of the financial report.

Should Sinetech be unable to obtain sufficient funding as outlined above, there is a material uncertainty that may cast significant doubt whether it will be able to 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 the 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 and classification of liabilities that might be necessary should it not continue as a going concern.

Notes to the interim consolidated financial statements

For the half-year ended 31 December 2020 (continued)

(d) Accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(e) Changes in accounting policy

For the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Note 2. Segment information

The Group's operating segments were disposed of on 11 May 2018, remaining segment is Corporate.

Note 3. Events occurring after balance sheet date

Subsequent to the half-year end, the Company has entered into a binding share sale agreement with the shareholders of HPAA Pty Ltd to acquire 100% of the issued capital in the HPAA Pty Ltd. HPAA Pty Ltd is the legal and beneficial owner of four granted tenements and one tenement application which comprise four exploration projects in Western Australia prospective for high-grade, low impurity kaolin and silica. The acquisition is subject to a number of conditions precedent which include completing a capital raising to raise a minimum of \$4,000,000 and up to a maximum of \$5,000,000.

There are no other matters or circumstances that have arisen since 31 December 2020 that have affected or may significantly affect the operations, results, or state of affairs of the Group in future financial years apart from the above.

Note 4. Current and non-current Assets – Trade and Other receivables

	Consolidated 31-Dec-20 \$	Consolidated 30-Jun-20 \$
Current:		
Prepayments	7,657	-
Other receivables - GST	3,805	10,801
Total	11,462	10,801
Non-current:		
Environmental security deposits – Queensland Government ¹	-	60,000
Total	-	60,000

¹ Security deposit is no longer recoverable, and as such, has been expensed through the profit or loss

Notes to the interim consolidated financial statements

For the half-year ended 31 December 2020 (continued)

Note 5. Current Assets - Other financial assets

	Consolidated 31-Dec-20 \$	Consolidated 30-Jun-20 \$
Current:		
Held-for-trading financial assets at fair value through profit or loss:		
Australian listed equity securities	436,821	550,643
Total	436,821	550,643

Fair value:

The fair value of listed shares has been determined directly by reference to published price quotations in an active market for identical securities. They are deemed to be Level 1 securities in accordance with the AASB 7 fair value measurement hierarchy and hence there is no subjectivity in relation to their value.

The fair values of the non-current other financial assets are not significantly different to their carrying amounts.

Note 6. Current liabilities - Trade and other payables

	Consolidated 31-Dec-20 \$	Consolidated 30-Jun-20 \$
Current		
Trade payables	280,373	101,838
Accruals and other payables	96,551	96,020
Total	376,924	197,858

Note 7. Discontinued operations

On 11 May 2018, Sinetech completed the sale of its business assets, including its shares in subsidiaries Blackglass Pty Ltd, Gruden Pty Ltd and MobileDen Pty Ltd, to IncentiaPay Limited (ASX: INP). Shareholder approval was received at the EGM on 18 April 2018.

Under the sale agreement, Sinetech was issued 25 million IncentiaPay shares that were worth \$7 million at the acquisition price of \$0.28 per share, and \$250,000 cash consideration. Subject to standard working capital adjustments, up to a further 2.68 million shares (worth \$0.75 million at the acquisition price of \$0.28 per share) had the potential to be issued and was issued on 4 November 2019. The contingent consideration was issued on at fair value of \$61,067. The reduction of \$59,194 was recorded in the half year ended 31 December 2019 as a loss. The shares are not subject to escrow.

Notes to the interim consolidated financial statements

For the half-year ended 31 December 2020 (continued)

Note 8. Related Party Transactions

The following table provides details of transactions, exclusive of GST, that occurred with director and director related parties for the relevant financial period.

	Payments made	Amounts owed to related parties
Related parties – directors and director-related entities	\$	\$
For the half year ended 31 December 2020		
Bert Mondello	-	85,800
Derek Hall	-	63,250
Terry Butler (ANT Nominees Pty Ltd)	-	46,750
Warren Barry	-	13,750

Note 9. Contingencies

There are no outstanding contingent liabilities not provided for in the financial statements of the Group as at 31 December 2020 (30 June 2020 Nil).

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes and additional disclosures included in the Directors' Report are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'D Hall', with a stylized flourish at the end.

Derek Hall

Non-Executive Chairman

26 February 2021

Independent Auditor's Review Report

To the Members of Sinetech Limited

Conclusion

We have reviewed the half-year financial report of Sinetech Limited ("the Company") and its controlled entity ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 1(c) to the half year report, which indicates that the Group incurred a net profit of \$217,807 including fair value gain on financial assets at fair value through profit or loss of \$16,179 and had a net cash outflow from operating activities of \$118,440. These conditions, along with other matters as set forth in Note 1(c), indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

The Directors are responsible for the preparation of the half-year financial report that gives us 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

A review of a 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.



CRITERION AUDIT PTY LTD



CHRIS WATTS CA
Director

DATED at PERTH this 26th day of February 2021