

Intec Ltd

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Company Announcements Office
Australian Securities Exchange

29 January 2016

Quarterly Activities Report: Appendix 4C – December 2015

Attached is the December 2015 Quarterly Report for Entities Admitted on the Basis of Commitments (Appendix 4C) for Intec Ltd (ASX Code: INL; Intec or the Company).

Science Developments Pty Ltd

Intec owns a 50% interest in Science Developments Pty Ltd (SciDev) and holds an option to increase its ownership to 100% based on an agreed formula related to the future profitability of SciDev. SciDev is a manufacturer and supplier of coagulants and flocculants for wastewater treatment and sludge dewatering.

SciDev achieved strong sales and profit growth during the prior September quarter. This was not able to be maintained during the December quarter. However, on an annualised basis the level of sales is being maintained above those achieved in the prior financial year. The lower level of sales was principally due to:

- A delay in the commissioning of the first Optiflox® system and hence delays in the receipt of monthly licence fees and associated chemical sales; and
- Significantly reduced product sales in New Zealand. Indications are that New Zealand sales are likely to be seasonally based in the winter/autumn months with materially lower levels at other times.

In relation to Optiflox® system, certain modifications have been required to the system currently installed at Peabody Energy's Wilpinjong coal mine. These modifications will greatly reduce the cost and complexity of the subsequent version of the Optiflox® system. The modifications have been completed and the system is currently being re-installed at Wilpinjong and should be in operation shortly.

Successful commercialisation of the Optiflox® system is the key focus for SciDev. The Company expects to be able to report on the results of the Wilpinjong trial during the current quarter.

Corporate

Intec continues to investigate other acquisition opportunities, principally those either complementary or supplementary to SciDev. Intec also continues to investigate options for realising value from its wholly-owned Zeehan Slag dump.

The attached Appendix 4C, including the consolidated statement of cash flows, represents a consolidation of the cash flows of Intec, its wholly-owned subsidiaries and SciDev. The consolidated cash balance at 31 December 2015 was \$0.735 million.

Intec Ltd



Kieran Rodgers
Managing Director

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Intec Ltd

ABN

25 001 150 849

Quarter ended
("current quarter")

31 December 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	340	802
1.2 Payments for		
(a) advertising and marketing	-	-
(b) zinc bearing concentrate cost of sales	-	-
(c) hydrometallurgical process development	-	-
(d) payments to suppliers & corporate overheads	(292)	(743)
(e) employee costs	(169)	(345)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	9
1.5 Interest and other costs of finance paid	(2)	(11)
1.6 Income tax paid/receipt	(13)	(13)
1.7 Royalty income	-	-
1.8 Other Income	-	-
Net Operating Cash Flows	(134)	(301)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	(14)	(14)
(d) physical non-current assets	(29)	(30)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	31	176
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	-
Net investing cash flows	(12)	132
1.14 Total operating and investing cash flows	(146)	(169)

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(10)	(22)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	(10)	(22)
Net increase (decrease) in cash held	(156)	(191)
1.21 Cash at beginning of quarter/year	891	926
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter/year	735	735

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

1.24 Aggregate amount of payments to the parties included in item 1.2	82
1.25 Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

Directors' fees are at normal commercial rates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	Nil
2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	Nil

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

Financing facilities available

Add notes as necessary for an understanding of the position.

- 3.1 Loan facilities ¹
3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
250	228
Nil	Nil

1. Trade finance facility

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

- 4.1 Cash on hand and at bank
4.2 Deposits at call
4.3 Bank overdraft
4.4 Term Deposits

Current quarter \$A'000	Previous quarter \$A'000
48	83
187	308
-	-
500	500
735	891

Total: cash at end of quarter (item 1.23)

Acquisitions and disposals
of business entities

- 5.1 Name of entity
5.2 Place of incorporation or registration
5.3 Consideration for acquisition or disposal
5.4 Total net assets
5.5 Nature of business

Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- This statement does/~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



Date: 29 January 2015

(Director/~~Company secretary~~)

Print name: **Kieran Rodgers**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.