



Synertec Corporation Limited  
ARBN 161 803 032

Level 1, 57 Stewart Street  
Richmond Victoria 3121  
Australia

Ph: +61 3 9274 3000  
Fax: +61 3 9274 3099  
www.synertec.com.au

## ASX Announcement

30 July 2020

### Technology Design and Development Update Loan Agreement to fund Greentech's pilot programs

**Melbourne, Australia:** Engineering product and solution provider, Synertec Corporation Limited (ASX: SOP, "Synertec" or "the Company") is pleased to advise that further to the announcement on 1 July 2020, the Company has executed a Loan Agreement with Sichuan GreenTech Environmental Co., Ltd ("Greentech").

#### Highlights

- **Initial Pilot Programs on client sites have reaffirmed Greentech's Composite Dry Powder ("CDP") as an environmentally friendly and cost-effective solution to treat toxic sludge and waste water;**
- **Synertec will fund Greentech's expanded Pilot Programs with two major Chinese State-Owned Enterprises through a fully secured \$1 million AUD loan facility.**

#### Greentech Technology Update

In accordance with the Company's update on 1 July 2020, Greentech is a potentially synergetic addition to the Company's existing oil and gas technologies under development. Since that time, the Company has continued to conduct diligence and commercial negotiations to assess this possibility.

During the same period, Greentech has continued testing with customers as part of the Pilot Program phase. All wells tested to date have reaffirmed the modelled outcomes of CDP applications. Following further specific testing of equipment, Greentech plans to apply CDP to a selection of energy projects with two existing customers, which are both major Chinese State Owned Enterprises.

To that end, Greentech requires working capital to complete the expanded Pilot Programs and specific engineering expertise to assist with designing process optimisation and scale-up of their innovative chemical technology. Synertec brings a long and successful track record of delivering these types of solutions specifically to chemistry-based industries.

Synertec Managing Director, Mr. Michael Carroll, commented: ***"We've done this type of work before and we fully understand that these projects involve large and complex process, mechanical and automation engineering challenges, as well as best practice hazardous area and safety system requirements. Synertec has a strong and experienced niche multi-disciplined engineering capability, overlaid with a renowned project management and systems engineering approach and 24 years of track record. It's pleasing that Greentech has recognised Synertec's international reputation for delivery of complex solutions in this area."***

Whilst the technology is currently being tested in China as part of the commercialisation process, Synertec is also assessing its application in Australia.



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## **ASX Announcement (continued)**

### **Loan Agreement**

The Company will provide a \$1 million AUD loan facility to Greentech, attracting an interest rate of 7% per annum. The facility will be unsubordinated, senior and secured, with the loan principal repayable in full by 31 December 2020.

In addition to a first-ranking charge over Greentech's assets securing the loan, the Company has also secured personal guarantees in respect of part of the loan funds from Greentech associates in both China and Australia.

The loan proceeds will fund the completion of expanded Pilot Programs with two major Chinese State-Owned Enterprises which will further test the commercial viability and scalability of Greentech's CDP technology.

Mr. Carroll said: ***"We are pleased to report our relationship with Greentech is progressing as planned. The developments Greentech continues to make in both piloting the technology and advancing plans for future operations is encouraging."***

***"Synertec has a proud and successful history as an entrepreneurial organisation. We are disciplined in executing our strategy of investing cash flow from our innovative engineering business into new growth platforms, particularly those with significant revenue opportunities across global markets, and with Greentech we see potential to create and realise highly valuable synergies"***.

**-ENDS-**

### **For more information and all media enquiries, please contact:**

Mr. David Harris  
Chief Financial Officer & Company Secretary  
Phone: +61 (3) 9274 3000  
Email: [david.harris@synertec.com.au](mailto:david.harris@synertec.com.au)

This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX:SOP).

### **About Synertec:**

Synertec Corporation Ltd (ASX: SOP) provides mission-critical engineering products and solutions to complex, high-risk and highly regulated industries. The Company targets industry segments with high barriers to entry and high client reputational risk, including Pharmaceuticals, Critical Infrastructure, Oil & Gas, Water and Defence.

Synertec has delivered 24 years of growth and development as a multidisciplinary and integrated consulting business, delivering end-to-end proprietary engineering products and solutions which leverage the Company's ability to develop commercial intellectual property through innovative partnerships with a portfolio of blue-chip customers.