

## Appendix 4D

Lodged with the ASX under listing rule 4.2A

### REPORTING PERIOD

Report for the half-year ended: 30 June 2021  
 Previous corresponding period is half-year ended: 30 June 2020

### RESULTS FOR ANNOUNCEMENTS TO THE MARKET

	Current period	Previous corresponding period	% change
	\$	\$	
Revenue from ordinary activities	1,827,104	1,656,819	10%
Loss from ordinary activities after tax for the period attributable to members	(1,084,641)	(1,920,569)	(44%)
Loss for the period attributable to members	(1,084,641)	(1,920,569)	(44%)

### Dividends

No dividends were declared or paid for the period ended 30 June 2021 (30 June 2020: nil). There are no dividend or distribution reinvestment plans in operation.

For a discussion on the items above refer to the Review of Operations section contained in the Directors' Report.

### NET TANGIBLE ASSETS PER SECURITY

	June 2021	June 2020
	\$	\$
Net tangible assets per security	0.0022	0.0015

### ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

The 100% owned subsidiary, HomeStay Care Solutions Pte Ltd was deregistered on 8 February 2021.

### ASSOCIATES AND JOINT VENTURES

HSC Technology Group Ltd did not have any associates or joint ventures at any time during the current period or the previous corresponding period.

### INDEPENDENT AUDITOR'S REVIEW REPORT

The half-year report has been reviewed by the Company's independent auditor and is not subject to a modified opinion, emphasis of matter or other matter paragraph. The independent auditor's review report is attached as part of the half-year report.

## **HALF-YEAR REPORT**

### **30 JUNE 2021**

The information contained in this document should be read in conjunction with HSC Technology Group Ltd's annual report for the year ended 31 December 2020 and any public announcements made by the company in accordance with the continuous disclosure obligations arising from the Corporations Act 2001 and the ASX Listing rules.

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## Directors Report

The directors present their report, together with the financial statements on the consolidated entity, consisting of HSC Technology Group Ltd (or 'the Company' or 'HSC') and the entities it controlled at the end of, or during, the half-year ended 30 June 2021 ('consolidated entity' or 'Group').

### DIRECTORS

The names of directors in office at any time during or since the end of the period are listed below. Directors have been in office since the start of the period to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Leylan Neep	Non-Executive Chairman
Graham Russell	Managing Director
Ramsay Carter	Non-Executive Director

### COMPANY SECRETARY

Stephen Rodgers	Company Secretary – Single capacity from 19 April 2021
Marcus Fraumano	Joint Company Secretary – resigned 19 April 2021

### OPERATING RESULTS

The loss of the consolidated entity amounted to \$1,084,641 (30 June 2020: \$1,920,569) after providing for income tax.

### DIVIDENDS

No dividends were paid or declared during the half-year. No dividend has been recommended.

### PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated entity during the half-year was the development and integration of an assistive technology IOT platform for the aged care and disability sectors.

### REVIEW OF OPERATIONS

HSC provides a suite of technology enabled care solutions to the aged and disability sectors, across multiple verticals including retirement living, residential aged care, home, and community settings.

HSC's Talius Smart Care platform combine smart sensors with an AI machine learning (powered by CSIRO) that delivers automated actions. Talius links awareness, analysis, and action through one platform allowing the care model to move from spot check care to sense-respond care. Nursing staff can switch their focus from data collection to building human connection. And, most importantly, residents benefit from a new era of autonomy and dignity.

During the financial period, HSC has continued to grow and successfully implement its strategy.

#### Revenue

Overall revenue has increased 10.3% year on year. This has been achieved through our continued partnerships with Bolton Clarke, the ACH group, IRT, Feros Care and St John's Singapore and new partnerships with ADT, Anglicare Retirement Living Division NSW, Sapio and Telstra.

#### Subscription growth

Total active subscriptions have increased to more than 7,400 which is a 58% increase year to date. As projects finalise over the coming months these numbers will continue to increase and provide a stable revenue stream.

#### New Distribution Partnerships

- **ADT** – announced 8<sup>th</sup> March 2021, an initial order for \$465,000 for personal emergency response systems (PERS) was received in quarter one and a further order for \$1,100,000 received in quarter two to be delivered over the coming 12 months.
- **Sapio and Telstra** – announced 29<sup>th</sup> March 2021, the commencement of a partnership in initially replacing approximately 2,300 PERS for Anglicare's Retirement Living division in NSW.
- **Tunstall Healthcare** – announced 9<sup>th</sup> August 2021, an initial three-year reseller agreement which makes the Talius platform and HSC products accessible by Tunstall Healthcare clients.
- **VitalCALL/Chubb** – announced 17<sup>th</sup> August 2021, reseller agreement signed to supply next generation assistive technology to their national client base.

#### Projects completed or underway

- **ACH Group** – at final completion with several sites in South Australia. This project included the delivery of voice activated nurse stations, along with a range of activity sensors that proactively capture data for the Talius Smart Care platform.
- **St John's Singapore** – at final completion. This innovative project uses technology to deliver insight on each resident by creating a profile of daily living activities using the patented CSIRO algorithm and HSC's Talius Smart Care platform. Talius captures data through a bespoke wristband pendant that incorporates advanced accelerometer and bluetooth location technology. This wristband provides Talius with crucial data on daily living activities including step count, location, the absence of attending the dining room or changes in hygiene patterns. The pendant also acts as a mobile emergency button to allow residents to call for help anywhere in the facility.

## Directors Report

### Project wins

- **ACH Group**– further two sites in South Australia awarded March 2021
- **The Healey Retirement Village** in Moorabbin VIC awarded June 2021
- **Finley Regional Care** in Finley NSW with our reselling partner eHomecare awarded June 2021
- **Odyssey Private Aged Care** – Stage 2 Building 3 in Robina QLD awarded July 2021

### Innovation

The R&D team have been finalising the development of the software for integration for the St John's Singapore project. This includes the integration of the CSIRO Smarter Safer Homes Technology - Activities of Daily Living algorithm. These developments and improvements are being shared with our sales pipeline and market feedback has been extremely positive.

We have also achieved the successful integration of the next generation bed alarm - Toch Sleepsense into our Talius Smart Care platform. This sensor allows for the provision of real time information on in/out of bed status, heart rate, breathing rate and quality of sleep.

HSC is conducting numerous trials and pilots with aged care providers. Some of these trials include the testing of the sensor datasets and the operational efficiency benefits that Talius is providing.

### Organisational improvement

In line with our strategy to east coast our operation, consolidate costs and ensure we are closer to port and transport facilities, we have transitioned our logistics and support functions to Brisbane.

## FINANCIAL POSITION

The net assets of the consolidated entity as at 30 June 2021 were \$4,390,149 a decrease of \$960,486 from net assets of \$5,350,635 at 31 December 2020.

The consolidated entity's net working capital, being current assets less current liabilities is a surplus of \$4,220,335 (31 December 2020: \$5,049,166).

## EVENTS AFTER THE REPORTING PERIOD

In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Company. At this stage COVID-19 has not had a significant impact however the extended periods of shutdown in VIC and NSW are being monitored as they hinder site visits from sales and operations, which in turn may slow down the sales cycle. If any of these impacts appear material, the Company will notify investors through appropriate market updates.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which 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 future financial years.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included within this financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Graham Russell  
Managing Director

Dated this 30<sup>th</sup> day of August 2021



**RSM Australia Partners**

Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111  
[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of HSC Technology Group Ltd for the half-year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 August 2021

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



		<b>Consolidated</b>	
	<b>Notes</b>	<b>June 2021</b>	<b>June 2020</b>
		<b>\$</b>	<b>\$</b>
Revenue		1,827,104	1,656,819
Other income	3	452	-
Cost of sales		(1,184,243)	(1,284,095)
Amortisation and depreciation expenses		(179,590)	(461,211)
Consulting fees		(72,206)	(76,801)
Employee benefits expenses		(946,829)	(449,114)
Marketing expenses		(127,760)	(45,663)
Rental expenses		(4,232)	(9,025)
Finance costs		-	(23,109)
Share based payments	6	(118,833)	(114,030)
Write-off of assets		-	(821,039)
Foreign exchange losses		(73,702)	(39,309)
Other expenses		(204,802)	(253,992)
<b>Loss before income tax</b>		<b>(1,084,641)</b>	<b>(1,920,569)</b>
Income tax expense		-	-
<b>Total loss for the period</b>		<b>(1,084,641)</b>	<b>(1,920,569)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to operating results</i>			
Exchange differences on translating foreign controlled entities		5,322	(3,622)
Other comprehensive income/(loss) for the period		<b>5,322</b>	<b>(3,622)</b>
<b>Total comprehensive loss for the period</b>		<b>(1,079,319)</b>	<b>(1,924,191)</b>
<b>Loss per share</b>			
Basic and diluted loss (cents per share)		(0.05)	(0.12)

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**



	Notes	Consolidated	
		June	December
		2021	2020
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,266,768	4,457,264
Other assets		1,011,451	864,285
Trade and other receivables		714,150	194,693
Inventory		1,284,389	1,148,638
Total current assets		6,276,758	6,664,880
<b>Non-current assets</b>			
Plant and equipment		18,333	26,810
Right-of-use assets		330,602	163,871
Intangible assets	4	98,380	146,500
Total non-current assets		447,315	337,181
<b>Total assets</b>		6,724,073	7,002,061
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		1,456,996	1,126,692
Contract liabilities		478,380	325,598
Lease liabilities		64,422	128,552
Provisions		56,625	34,872
Total current liabilities		2,056,423	1,615,714
<b>Non-current liabilities</b>			
Lease liabilities		277,501	35,712
Total non-current liabilities		277,501	35,712
<b>Total liabilities</b>		2,333,924	1,651,426
<b>Net assets</b>		4,390,149	5,350,635
<b>EQUITY</b>			
Issued capital	5	16,130,123	15,985,123
Reserves	6	1,088,478	1,109,323
Accumulated losses		(12,828,452)	(11,743,811)
<b>Total equity</b>		4,390,149	5,350,635

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Based Payments Reserve	Total
<b>Balance at 1 January 2020</b>	11,917,250	(9,377,335)	20,023	910,087	3,470,025
Loss for the period	-	(1,920,569)	-	-	(1,920,569)
Other comprehensive income	-	-	(3,622)	-	(3,622)
<b>Total comprehensive loss for the period</b>	-	(1,920,569)	(3,622)	-	(1,924,191)
<b>Transactions with owners, directly in equity</b>					
Options and performance rights issued	-	-	-	146,867	146,867
Issue of share capital	997,500	-	-	(16,500)	981,000
Capital raising costs	(50,667)	-	-	-	(50,667)
<b>Balance at 30 June 2020</b>	12,864,083	(11,297,904)	16,401	1,040,454	2,623,034
<b>Balance at 1 January 2021</b>	15,985,123	(11,743,811)	1,791	1,107,532	5,350,635
Loss for the period	-	(1,084,641)	-	-	(1,084,641)
Other comprehensive income	-	-	5,322	-	5,322
<b>Total comprehensive income/(loss) for the period</b>	-	(1,084,641)	5,322	-	(1,079,319)
<b>Transactions with owners, directly in equity</b>					
Share based payments	-	-	-	118,833	118,833
Issue of share capital	145,000	-	-	(145,000)	-
<b>Balance at 30 June 2021</b>	16,130,123	(12,828,452)	7,113	1,081,365	4,390,149

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**



	<b>Consolidated</b>	
	<b>June 2021</b>	<b>June 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	1,619,610	1,932,507
Interest received	405	2,694
Payments to suppliers and employees	(2,777,600)	(2,559,084)
Interest paid	(10,469)	(29,787)
<b>Net cash used in operating activities</b>	<b>(1,168,054)</b>	<b>(653,670)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of financial assets	-	77,965
<b>Net cash used in investing activities</b>	<b>-</b>	<b>77,965</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of performance rights	-	5,600
Transaction costs relating to issue of shares	-	(50,667)
Repayment of lease liabilities	(22,442)	(81,118)
<b>Net cash used in financing activities</b>	<b>(22,442)</b>	<b>(126,185)</b>
<b>Net decrease in cash held</b>	<b>(1,190,496)</b>	<b>(701,890)</b>
Cash at the beginning of the financial period	4,457,264	2,744,414
<b>Cash at the end of the financial period</b>	<b>3,266,768</b>	<b>2,042,524</b>

The accompanying notes form part of this financial report.

## 1. Summary of significant accounting policies

### Statement of Compliance

The consolidated half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The consolidated half-year financial report does not include all of the notes and information normally included in an annual financial report. Accordingly, this report should be read in conjunction with the consolidated annual financial report for the year ended 31 December 2020.

### Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are in Australian dollars unless otherwise stated.

The accounting policies and methods of computation followed in the preparation of the half-year financial report are consistent with those followed and disclosed in the Annual Financial Report for the financial year ended 31 December 2020, except for the impact of the standards, interpretations and amendments described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### New accounting standards and interpretations

The Group 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.

The Group has chosen not to early adopt any accounting standards that have been issued but are not yet effective. The impact of accounting standards that have been issued, but are not yet effective, is not material to these financial statements.

## 2. Segment Information

The Directors have considered the requirements of AASB 8 *Operating Segments* and the internal reports that are reviewed by the Board in allocating resources and have concluded that at this time there are no separately identifiable segments. All revenues and costs are handled centrally and management reviews financial information on a consolidated basis. On this basis it is considered that there is only one operating segment, the details of which are disclosed within this financial report.

**3. Other income**

	<b>Consolidated</b>	
	<b>June 2021</b>	<b>June 2020</b>
	<b>\$</b>	<b>\$</b>
Interest Income	452	-
Total	452	-

**4. Intangible assets**

	<b>Consolidated</b>	
	<b>June 2021</b>	<b>December 2020</b>
	<b>\$</b>	<b>\$</b>
Customer list – at cost	45,000	45,000
Less: Accumulated amortisation	(45,000)	(45,000)
	-	-
Licences – at cost	250,000	250,000
Less: Accumulated amortisation	(151,620)	(103,500)
	98,380	146,500
	98,380	146,500

Reconciliations of the carrying amounts of each class of intangible asset at the beginning and end of the current financial period are set out below.

<b>Consolidated</b>	<b>Licences</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at 1 January 2021	146,500	146,500
Amortisation expense	(48,120)	(48,120)
Carrying amount at 30 June 2021	98,380	98,380

**5. Issued Capital**

	<b>Consolidated</b>	
	<b>June</b>	<b>December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares – Fully paid ('FPO')	17,542,437	17,397,437
Capital raising costs	(1,412,314)	(1,412,314)
	<b>16,130,123</b>	<b>15,985,123</b>

**a) Movements in ordinary shares on issue**

	<b>Number</b>	<b>\$</b>
At 1 January 2021	1,886,739,337	15,985,123
Shares issued during the period		
- 1 March 2021 - Conversion of Performance Rights	4,000,000	20,000
- 7 April 2021 - Conversion of Performance Rights	25,000,000	125,000
- 11 May 2021 - Issue of First Milestone Shares	50,000,000	-
At 30 June 2021	<b>1,965,739,337</b>	<b>16,130,123</b>

**6. Reserves**

	<b>Consolidated</b>	
	<b>June</b>	<b>December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Foreign currency translation	7,113	1,791
Share based payments	1,081,365	1,107,532
	<b>1,088,478</b>	<b>1,109,323</b>

**Movements in reserves**

**Share based payments**

Balance at the beginning of the reporting period	1,107,532	910,087
Options issued during the period	-	27,237
Options vested during the period	-	2,500
Options lapsed during the period	-	(7,205)
Performance right issued in prior period	112,605	-
Performance rights issued during the period	6,228	357,413
Performance rights converted to shares during the period	(145,000)	(182,500)
Balance at the end of the period	<b>1,081,365</b>	<b>1,107,532</b>

	Consolidated	
	June	December
	2021	2020
	\$	\$
<b>Foreign currency translation</b>		
Balance at the beginning of the reporting period	1,791	20,023
Exchange differences on translating foreign controlled entities	5,322	(18,232)
Balance at the end of the period	7,113	1,791

**(a) Share-based payments - options**

A summary of the movements of all options issues is as follows:

	Number
<b>Options outstanding as at 1 January 2021</b>	100,000,000
Options issued	-
<b>Options outstanding as at 30 June 2021</b>	100,000,000

**(b) Share-based payments – performance rights “PRs”**

A summary of the movements of all performance rights issues is as follows:

	Number
<b>Performance rights outstanding as at 1 January 2021</b>	75,000,000
Converted to shares 1 March 2021 <sup>(1)</sup>	(4,000,000)
Converted to shares 7 April 2021 <sup>(2)</sup>	(25,000,000)
Granted on 20 May 2021 <sup>(3)</sup>	6,000,000
<b>Performance rights outstanding as at 30 June 2021</b>	52,000,000

- (1) On 1 March 2021, the Company converted 4,000,000 performance rights to a Director, for nil cash consideration. Performance rights vested subject to employment continuity. Total fair value of \$20,000 was recognised as share-based payments expense. The fair value recognised in the profit or loss for year ended 31 December 2020 and for half-year ended 30 June 2021 are \$18,089 and \$1,911 respectively.
- (2) On 7 April 2021, the Company converted 25,000,000 performance rights to a Director, for nil cash consideration. Performance rights vested subject to the attainment of revenue hurdles, together with employment continuity. Total fair value of \$125,000 is recognised as share-based payments expense in the profit or loss for the financial year ended 31 December 2020.
- (3) On 20 May 2021, the Company granted 6,000,000 performance rights to a Director, for nil consideration. Performance rights will vest subject to the attainment of certain share price values, together with employment continuity. Total fair value of \$59,396 to be recognised as share-based payments across the vesting period. The fair value recognised as share-based payments expense in the profit or loss for the half-year ended 30 June 2021 is \$6,228



AASB 2 Share-based Payment, the expense is recognised over the vesting period. The performance rights have been valued at the share price of the Company on grant date. The fair value inputs included in the performance right valuations were as follows

No. of PRs	Grant date	Vesting date	Expiry date	Fair value at grant date	Share price	Probability
15,000,000	15-Jun-20	15-Jun-22	15-Jun-25	\$0.0029	\$0.0050	100%
15,000,000	15-Jun-20	15-Jun-22	15-Jun-25	\$0.0022	\$0.0050	100%
2,000,000	8-Jun-20	16-Jun-21	15-Dec-21	\$0.0050	\$0.0050	100%
2,000,000	8-Jun-20	15-Jul-21	15-Dec-21	\$0.0010	\$0.0050	100%
2,000,000	8-Jun-20	15-Jul-21	15-Dec-21	\$0.0006	\$0.0050	100%
2,500,000	2-Nov-20	3-Aug-21	3-Aug-21	\$0.0130	\$0.0130	100%
2,500,000	2-Nov-20	3-May-22	3-May-22	\$0.0130	\$0.0130	100%
2,500,000	2-Nov-20	3-Aug-21	3-Aug-21	\$0.0130	\$0.0130	100%
2,500,000	2-Nov-20	3-May-22	3-May-22	\$0.0130	\$0.0130	100%
3,000,000	20-May-21	15-Jun-22	15-Jun-22	\$0.0110	\$0.0160	100%
3,000,000	20-May-21	15-Jun-22	15-Jun-22	\$0.0088	\$0.0160	100%

Total share based payments recognised in the statement of profit or loss and other comprehensive income during the half-year ended 30 June 2021:

	\$
8,000,000 performance rights granted to a Director on 8 June 2020	7,940
30,000,000 performance rights granted to a Director on 15 June 2020	39,824
10,000,000 performance rights granted to the Advisory Board on 2 November 2020	64,841
6,000,000 performance rights granted to a Director on 20 May 2021	6,228
	<u>118,833</u>

## 8. Events after the Reporting Period

In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and adverse impact on the Company. If any of these impacts appear material, the Company will notify investors through appropriate market updates.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which 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 future financial years.

## 9. Contingent liabilities

There have been no material changes to the consolidated entity's contingent liabilities since 31 December 2020.

## 10. Commitments

There have been no material changes to the consolidated entity's capital or other expenditure commitments since 31 December 2020.

## DIRECTORS' DECLARATION



The directors of the Company declare that:

1. the financial statements and notes, as set out in the financial report:
  - a) comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the half-year ended on that date of the consolidated entity;
2. in the directors' opinion 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

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'G Russell', written in a cursive style.

Graham Russell  
Managing Director

Dated this 30<sup>th</sup> day of August 2021

**RSM Australia Partners**

Level 32, Exchange Tower  
 2 The Esplanade Perth WA 6000  
 GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
 TO THE MEMBERS OF  
 HSC TECHNOLOGY GROUP LTD**

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

We have reviewed the accompanying half-year financial report of HSC Technology Group Ltd which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

The directors of the company 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 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 half-year 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 30 June 2021 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 HSC Technology Group Ltd, 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.

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*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*, which has been given to the directors of HSC Technology Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

*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 HSC Technology Group Ltd 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 30 June 2021 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*.



RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 August 2021