



AdvanceTC Limited

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Ms. Ingrid Wei

19th Apr 2019

Market Surveillance Analyst

Response to NSX Periodic Disclosure Query dated 16th April 2019

Dear Ms Ingrid ,

With regards to the recent NSX query, kindly find the Company responses as per below accordingly for your reference :-

- a) Please confirm the basis for and the factors considered by the directors and the management team of the Company to satisfy themselves that AdvanceTC Limited has sufficient financial resources to continue as a going concern.

The directors and management team of the Company are satisfied that AdvanceTC Limited has sufficient financial resources to continue its operation with confirmed funding support from its major shareholders. Further as the Company has moved on from R&D stage to commencement of commercialization, AdvanceTC will shortly start to have recurring revenues from its sales of its Xplore X7 Android Satellite Smartphone from the month of June/July 2019 onwards . The Company is in the finalization stages with several international distributors on orders of its devices and these orders are expected to be concluded within the month of May 2019. Once concluded, the Company will disclose the details of the orders.

- b) Given the auditor has been unable to obtain sufficient evidence to support claims of successful and timely commercialization of a new product range and the related entity has the ability to provide ongoing support until such time arises, please explain in detail why the directors and the management team believe otherwise. Please provide any documentation supporting the Company's analysis and judgement of its Going Concern status – those documents will not be released to the market.

As per above explanation, the Company is unable to release any documents pertaining to the orders as it is under confidentiality and in the finalization stage. Final terms and condition need to be satisfied and signed off by the manufacturer/purchaser and once this has occurred, the

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Company shall be able to provide a copy of this announcement to the NSX for review and release to the market. This we estimated shall be within May 2019 itself.

- c) Given the Company has MYR8,727 cash on hand and MYR3,495,393 net current liabilities, please confirm whether the Company believes it is solvent and provide supporting rationale.

The Company has discussed its pending commercialization of the Xplore X7 with its major creditors and they have all agreed to wait until the company has received the funds from the formal sale. There is No pressure to settle the current liabilities. Other current liabilities or debts arising can be settled from cash on hand and contributions from supporting shareholders as required.

- d) Please provide a list of the short-term liabilities due before 30 June 2019 in the following format.

As per above (c)explanation, there are no liabilities due before 30 June 2019.

- e) Does the Company consider that it carries out sufficient level of operations which can be demonstrated to the Exchange to warrant the continued listing of its securities on the NSX as required by listing rule 6.54? If the answer is “Yes”, please explain the basis on which the Company has formed its conclusion.

Yes . The Company is currently promoting and marketing its production ready devices to international distributors for mass production. The latest version of the Xplore X7 is now ready for production and sales. The first production order of 2,000 units is being finalized now with the balance of orders to 10,000 units to be met over the forthcoming months.

- f) What steps will the Company take to obtain an unqualified audit report for future financial periods?

The Company has completed its R&D phase and is now commercializing its development products in 2019. Commercialization will generate the Company’s first income stream that will satisfy the auditor’s requirement. At the same time, the Company shall also be introducing more derivative devices into the market within the year to strengthen and grow its revenue base.

Loi Cheng Pheng
Chairman/CEO
AdvanceTC Ltd

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