

Appendix 4D
Half-Year Report

1. Company details

Name of entity:	AdvanceTC Limited
ABN:	600 238 444
Reporting period:	For the half-year ended 30 June 2018
Previous period:	For the half-year ended 30 June 2017

2. Corporate Overview

Our year to date sales are RM 121,700.

The result is not satisfactory due to the delay in the commercial launch for our new innovative world's first Satellite Android Smart Phone XPLORE 7.

We have successfully launched the product on 2/8/2018. Our Deputy Prime Minister graced the event on the day.

We have also successfully secured a commercial sales contract for 10,000 units of the product. We expect the contract to contribute sales revenue of US \$6,500,000 for the company.

We have finalised our mass production plan to commence commercial shipment from November, 2018.

The future revenue and growth prospects for the company are extremely bright.

In addition to the current XPLORE 7 Satellite Android Smart phone, we are focusing our R&D efforts to complete several new products for launching commercial shipments in 2018/2019. These are :-

- XPLORE 8, a full voice and Messaging Android Satellite Smart Phone
- Vehicle and equipment performance tracking device enabled by satellite and sensor based on an open IOT platform.
- Home security autonomous drone enabled by satellite and sensor based on our proprietary smart autonomous drone software platform.

For announcement to the market

Extracts from this statement for announcement to the market

				MYR
Revenue	up/down	(95%)	to	121,700
Profit (loss) for the period	up/down	(62%)	to	(1,487,668)
Profit (loss) for the period attributable to members of the parent	up/down	(62%)	to	(1,310,885)
Dividends	Current period		Previous corresponding period	
Franking rate applicable:	N/A		N/A	

Appendix 4D
Half-Year Report

3. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

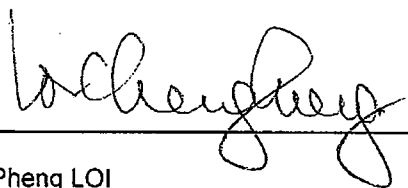
4. Attachments

Details of attachments (if any):

The Interim Report of AdvanceTC Limited for the half-year ended 30 June 2018 is attached.

5. Signed

Signed

A handwritten signature in black ink, appearing to read 'Cheng Pheng LOI', written over a horizontal line.

Cheng Pheng LOI
Chairman

12th September 2018

AdvanceTC Limited

ACN 600 238 444

Interim Report - 30 June 2018

AdvanceTC Limited

ACN 600 238 444

**Directors' Report
30 June 2018**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of AdvanceTC Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2018.

Directors

The following persons were directors of AdvanceTC Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Cheng Pheng LOI

Gim Keong LEE

Jonathan Yeow Koon LOI

Chee Tuck CHO

Chee Seng CHO

Joseph Paul Tabone (appointed 9 February 2018; resigned 18 August 2018)

Julia Kurniawan (appointed 23 August 2018)

Principal activities

The principal activities of the Group during the financial year were the design, development and commercialization of high tech mobile wireless computing and telecommunication devices. It is creator of the MAGIC™ brand of mobile computing devices and operates development facilities in Malaysia including its proprietary software and applications services. AdvanceTC Limited acts as a holding company for AdvanceTC Sdn Bhd, a company incorporated and having its principal place of business in Malaysia. AdvanceTC Sdn Bhd owns 60.1% of Advance Tech Communications Sdn Bhd, a company also incorporated in Malaysia, which is the group's operating entity and specialises in the design, development and commercialisation of high tech mobile wireless computing and telecommunication devices plus providing proprietary software application and services. It is the creator of the MAGIC™ brand of mobile computing devices and operates development facilities in Malaysia. AdvanceTC Limited owns a further 27.1% of Advance Tech Communications Sdn Bhd taking the total consolidated ownership of 87.2%.

There were no significant changes in the nature of the principal activities occurred during the financial year.

Review of operations

The consolidated entity will focus to achieve the target mass production for its current product MAGIC X6. It will also focus to launch commercial sales on schedule for its new innovation product MAGIC X7 by third quarter of this year.

We have developed a stockist program to develop our sales network. We will work aggressively with the State Government, with our strategic partners, with the universities and with our direct marketing company to quickly build up our sales networks.

We will be able to allocate resources to develop and build our Europe/Australia/USA market by end of this year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

AdvanceTC Limited
ACN 600 238 444

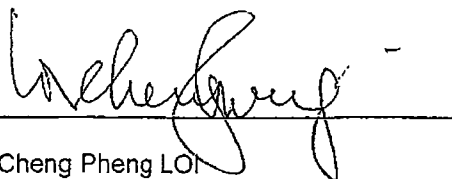
Directors' report
30 June 2018

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Cheng Pheng LOI', is written over a horizontal line.

Cheng Pheng LOI
Chairman

12th September 2018

AdvanceTC Limited

ACN 600 238 444

Auditor's Independence Declaration



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Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF ADVANCETC LIMITED

As lead auditor for the review of AdvanceTC Limited for the half-year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AdvanceTC Limited and the entities it controlled during the period.

A handwritten signature in dark ink, appearing to read 'R M Swaby', is written over a light grey, semi-transparent rectangular box.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 12 September 2018

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30 June 2018

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General information

The financial statements cover AdvanceTC Limited as a consolidated entity consisting of AdvanceTC Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Ringgit Malaysia, which is AdvanceTC Limited's functional and presentation currency.

AdvanceTC Limited is a listed public company limited by shares, incorporated and domiciled in Malaysia. Its registered office and principal place of business are:

Registered office

Level 12, Grosvenor Place
225 George Street
SYDNEY NSW 2000
AUSTRALIA

Principal place of business

E-G-01, Block E, Neo Damansara, Jalan PJU 8/1
Damansara Perdana, 47820 Petaling Jaya
Selangor Darul Ehsan
Malaysia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 12th September, 2018.

AdvanceTC Limited

ACN 600 238 444

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Half-Year Ended 30 June 2018**

	Note	30 Jun 2018 MYR	30 Jun 2017 MYR
Revenue	3	121,700	2,330,000
Other income	3	38,256	12,372
Cost of goods sold		(141,400)	(1,575,993)
Employee benefits expense		(387,439)	(479,497)
Depreciation and amortization expense		(4,370)	(1,507,014)
Business development costs		-	(1,894,294)
Other expenses		(1,113,661)	(787,913)
Finance costs		(754)	(3,015)
Loss for the half-year	4	(1,487,668)	(3,905,354)
Income tax expense		-	-
Loss for the half-year		(1,487,668)	(3,905,354)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(1,487,668)	(3,905,354)
Loss attributable to:			
Members of the parent entity		(1,310,885)	(3,421,690)
Non-controlling interest		(176,783)	(483,664)
		(1,487,668)	(3,905,354)
Total comprehensive income attributable to:			
Members of the parent entity		(1,310,885)	(3,421,690)
Non-controlling interest		(176,783)	(483,664)
		(1,487,668)	(3,905,354)
Earnings per share attributable to members of the parent entity		Cents	Cents
Profit continuing operation			
Basic earnings per share (cents per share)	5	(0.4)	(1.0)
Diluted earnings per share (cents per share)	5	(0.4)	(1.0)

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 30 June 2018**

	Note	30 Jun 2018 MYR	31 Dec 2017 MYR
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		14,981	10,638
Trade and other receivables		2,581,479	2,951,936
Inventories		151,400	314,600
TOTAL CURRENT ASSETS		2,747,860	3,277,174
NON-CURRENT ASSETS			
Property, plant and equipment		15,323	24,592
Intangible assets	6	1,048,945	712,871
TOTAL NON-CURRENT ASSETS		1,064,268	737,463
TOTAL ASSETS		3,812,128	4,014,637
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	6,880,545	3,777,376
Deferred income		12,350	24,700
Borrowings		20,082	19,631
Income tax provision		978,443	978,433
TOTAL CURRENT LIABILITIES		7,891,420	4,800,140
NON-CURRENT LIABILITIES			
Trade and other payables	7	541,101	2,336,402
Deferred income		37,050	37,050
Borrowings		74,685	85,505
TOTAL NON-CURRENT LIABILITIES		652,836	2,458,957
TOTAL LIABILITIES		8,544,256	7,259,097
NET ASSETS		(4,732,128)	(3,244,460)
EQUITY			
Issued capital	8	14,164,707	14,164,707
Other contributed equity		2,810,654	2,810,654
Retained profits		(20,663,739)	(19,352,854)
Total equity attributable to equity holders of the Company		(3,688,378)	(2,377,493)
Non-controlling interest		(1,043,750)	(866,967)
TOTAL EQUITY		(4,732,128)	(3,244,460)

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

Consolidated Statement of Changes In Equity
For the half-year ended 30 June 2018

	Ordinary Shares MYR	Retained Earnings MYR	Other Contributed Equity MYR	Attributable to owners of AdvanceTC Limited MYR	Non- Controlling Interests MYR	Total MYR
Balance at 1 January 2017	14,164,707	(11,786,841)	2,810,654	5,188,520	510,502	5,699,022
Profit attributable to members of the parent entity	-	(3,421,690)	-	(3,421,690)	-	(3,421,690)
Profit attributable to non-controlling interest	-	-	-	-	(483,664)	(483,664)
Total comprehensive income for the half-year	-	(3,421,690)	-	(3,421,690)	(483,664)	(3,905,354)
Share Issued during the period	-	-	-	-	-	-
Other Contribution of equity	-	-	-	-	-	-
Balance at 30 June 2017	14,164,707	(15,208,531)	2,810,654	1,766,830	26,838	1,793,668

	Ordinary Shares MYR	Retained Earnings MYR	Other Contributed Equity MYR	Attributable to owners of AdvanceTC Limited MYR	Non- Controlling Interests MYR	Total MYR
Balance at 1 January 2018	14,164,707	(19,352,854)	2,810,654	(2,377,493)	(866,967)	(3,244,460)
Profit attributable to members of the parent entity	-	(1,310,885)	-	(1,310,885)	-	(1,310,885)
Profit attributable to non-controlling interest	-	-	-	-	(176,783)	(176,783)
Total comprehensive income for the half-year	-	(1,310,885)	-	(1,310,885)	(176,783)	(1,487,668)
Share Issued during the period	-	-	-	-	-	-
Other Contribution of equity	-	-	-	-	-	-
Balance at 30 June 2018	14,164,707	(20,663,739)	2,810,654	(3,688,378)	(1,043,750)	(4,732,128)

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

Consolidated Statement of Cash Flows
For the half-year ended 30 June 2018

	Note	30 Jun 2018 MYR	30 Jun 2017 MYR
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) before taxation		(1,487,668)	(3,905,354)
Adjustments for:			
Depreciation		9,269	4,638
Amortisation		-	1,502,375
Impairment of inventories		26,700	-
Interest expense		754	3,015
Fair value loss on non-current payables		365,992	-
Cash generated from operations		(1,084,953)	(2,395,324)
Adjustments for:			
(Increase)/decrease in trade and other receivables		370,457	2,654,627
(Increase)/decrease in inventories		136,500	(509,180)
Increase/(decrease) in trade and other payables		941,886	983,348
Increase/(decrease) in deferred income		(12,350)	-
Cash flows from / (used in) operating activities		351,540	733,471
Interest paid		(754)	(3,015)
Net cash flows from / (used in) operating activities		350,786	730,456
CASH FLOWS FROM INVESTING ACTIVITIES:			
Development expenditure incurred		(336,074)	(468,620)
Purchase of property, plant and equipment		-	-
Net cash flows from / (used in) investing activities		(336,074)	(468,620)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of term loan		-	(67,184)
Repayment of finance lease liabilities		(10,369)	(9,844)
Net cash flows from / (used in) investing activities		(10,369)	(77,028)
Net (decrease)/increase in cash and cash equivalents		4,343	184,808
Cash and cash equivalents at beginning of financial period		10,638	59,348
Cash and cash equivalents at end of financial period		14,981	244,156

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

Notes to the Financial Statements
30 June 2018

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by the consolidated entity during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and amended standards adopted by the Group

A number of new or amended standards, such as AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, became applicable for the current reporting period.

The standards did not have any impact on the Group's accounting policies and did not require current period or retrospective adjustments.

Key judgements

Consolidation of AdvanceTC Cilicon SAS

During the prior period the Company, in conjunction with its partner Cilicon Limited, established a joint venture arrangement to promote the sale of the Company's Magic Smartphone and proprietary community software application in Europe. The Directors have considered the terms and conditions of the arrangement and concluded that the Company controls the relevant activities of AdvanceTC Cilicon SAS by virtue of owning 75% of the share capital and controlling 2 out of 3 board seats. The financial statements have been prepared consolidating AdvanceTC Cilicon SAS and include an adjustment through non-controlling interest to the remaining 25% of the loss for that subsidiary.

Going concern

For the half-year ended 30 June 2018, the Group has incurred losses after income tax of MYR 1,487,668 (2017: MYR 3,905,354) and net cash outflows from operations of MYR 1,450,945 (2017: MYR 2,395,324).

The ability of the consolidated entity to continue as a going concern is dependent upon the consolidated entity being able to manage its liquidity requirements by taking some or all of the following actions:

1. Continued successful sales of Magic Smartphone, and proprietary community software application;
2. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure require for the consolidated entity to continue to develop the next generation of integrated mobile communication devices and to meet the consolidated entity's working capital requirements; and
3. Reducing its working capital expenditure.

These conditions give rise to a material uncertainty which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

Notes to the financial statements
30 June 2018

Note 1. Significant accounting policies (continued)

Going concern (continued)

Notwithstanding the above, the Directors consider it is appropriate to prepare the financial statements on a going concern basis after having regard to the following matters:

1. A director of a related party has provided written assurance that it will continue to provide ongoing funding as required by the consolidated entity until such time as the consolidated entity completes a significant capital raising or achieves consistent and sustained cash flows from the successful commercialisation of its Magic Smartphone;
2. A related party has given written assurance that it will not call for the payment of amounts owing until such time as the consolidated entity is in a position to pay some from the proceeds of a capital raising, or from its own cash flow.
3. The consolidated entity is currently pursuing capital raising plans to be implemented in the ensuing period, and which may include conversion of the current indebtedness to Directors and related parties.

Should the consolidated entity be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The half year financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the consolidated entity not be able to achieve the matters set out above and thus be able to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amount and classification of liabilities that might be required should the consolidated entity not be able to achieve the matters set out above and thus be able to continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The group has identified its operating segments based on the internal reports that are received and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Accordingly, management currently identified the Group as having only one reportable segment, being the design development and commercialization of high tech mobile wireless computing and telecommunications devices.

The financial results from this segment are equivalent to the financial statements for the Group. There have been no changes in the operating segments during the period.

Notes to the Financial Statements
30 June 2018

Note 3. Revenue and Other Income

	30 Jun 2018 MYR	30 Jun 2017 MYR
Revenue from continuing operations		
<i>Sales revenue</i>		
- sale of goods	<u>121,700</u>	<u>2,330,000</u>
Total Revenue	<u>121,700</u>	<u>2,330,000</u>
 Other income		
Other income	38,256	12,372
Gain on disposal of rights	<u>-</u>	<u>-</u>
Total Other Income	<u>38,256</u>	<u>12,372</u>

Note 4. Expenses

	30 Jun 2018 MYR	30 Jun 2017 MYR
Profit before income tax includes the following specific expenses:		
Impairment of inventories	<u>26,700</u>	<u>-</u>
Business development costs	<u>-</u>	<u>1,894,294</u>
Research and development expenses	<u>150</u>	<u>44,190</u>
Fair value adjustment on non-current payable	<u>340,544</u>	<u>-</u>
<i>Rental expense on operating leases</i>		
Office lease payments	<u>15,000</u>	<u>53,660</u>

Notes to the financial statements
30 June 2018

Note 5. Earnings per Share

(a) Earnings used to calculate overall earnings per share

	30 Jun 2018 MYR	30 Jun 2017 MYR
Earnings used to calculate overall earnings per share	<u>(1,310,885)</u>	<u>(3,421,690)</u>

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	30 Jun 2018 MYR No.	30 Jun 2017 MYR No.
Weighted average number ordinary shares outstanding during the year used during the year used in calculating basic EPS	<u>345,365,182</u>	<u>345,365,182</u>

Note 6. Intangible Assets

	30 Jun 2018 MYR	31 Dec 2017 MYR
Development cost		
At cost	712,870	9,485,818
Additions	336,076	-
Accumulated amortization and impairment	<u>-</u>	<u>(8,772,947)</u>
Net carrying value	<u>1,048,946</u>	<u>712,871</u>
Rights		
At cost	-	7,210,000
Accumulated amortization and impairment	<u>-</u>	<u>(7,210,000)</u>
Net carrying value	<u>-</u>	<u>-</u>
Total Intangibles	<u>1,048,946</u>	<u>712,871</u>

Notes to the Financial Statements
30 June 2018

Note 6. Intangible Assets (continued)

Movements in carrying amounts of intangible assets

	Rights MYR	Development costs MYR	Total MYR
Balance as at 1 January 2018			
Balance at the beginning of the period	-	712,871	712,871
Additions	-	336,074	336,074
Amortisation	-	-	-
Impairment	-	-	-
Closing value at 30 June 2018	-	1,048,945	1,048,945
Balance as at 1 January 2017			
Balance at the beginning of the period	2,123,000	1,235,048	3,358,048
Additions	-	712,871	712,871
Amortisation	(1,442,000)	(1,235,048)	(2,677,048)
Impairment	(681,000)	-	(681,000)
Closing value at 31 December 2017	-	712,871	712,871

Note 7. Trade and other payable

	30 Jun 2018 MYR	31 Dec 2017 MYR
CURRENT		
Trade payables (a)	1,716,673	1,711,032
Related party payables (c)	1,707,161	1,345,050
Other payables and accruals (b)	3,456,711	3,057,696
	<u>6,880,545</u>	<u>6,113,778</u>
NON-CURRENT		
Related party payables (c)	541,101	1,345,051
Other payables (b)	-	991,351
	<u>541,101</u>	<u>2,336,402</u>

Non-current payables are interest free and stated at fair value. Fair value has been calculated based on an assumed Interest rate of 6.85% per annum. The payables are in Tier 3 of the fair value hierarchy The reconciliation is as follows:

Notes to the Financial Statements
30 June 2018

Note 7. Trade and other payable (continued)

	30 Jun 2018	31 Dec 2017
	MYR	MYR
Related party payables	579,193	1,579,193
Other payables	-	1,135,846
Fair value adjustment	(38,093)	(378,637)
	<u>541,100</u>	<u>2,336,402</u>

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 days to 90 days.

(b) Amounts included in other payables are accruals, shareholders advances and site licensing rights payable, which are unsecured, interest free and payables in within one (1) year.

(c) Amounts owing to a related party represent advances and payment on behalf, which are unsecured, interest free and payables within one (1) year.

Note 8. Equity

Dividends

There were no dividends paid or recommended during the financial half-year period. There are no franking credits available to the shareholders of the Company.

Capital

	30 Jun 2018	31 Dec 2017
	MYR	MYR
345,365,182 (2016: 345,365,182) Ordinary share	10,807,041	10,807,041
Share application monies	3,357,666	3,357,666
At the end of the reporting period	<u>14,164,707</u>	<u>14,164,707</u>

Ordinary shares

	Consolidated	
	30 Jun 2018	31 Dec 2017
	No.	No.
At the beginning of the period	345,365,182	345,365,182
Shares issued during the period	-	-
At the end of the reporting period	<u>345,365,182</u>	<u>345,365,182</u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands,

Notes to the Financial Statements

30 June 2018

Note 9. Contingent liabilities

The consolidated entity entered into a sales contract with a customer to deliver 10,000 units of Magic Smartphones from August 2018 to January 2019. There is a penalty and compensation of RMB\$1,000,000 if any party does not meet all obligations contained within the contract. The parties have subsequently agreed to defer initial shipment of Magic Smartphones to November 2018.

In the opinion of the Directors, the consolidated entity did not have any other contingencies liabilities during financial half-year period.

Note 10. Events after the reporting period

No matters or circumstances have arisen since the financial half-year period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years. Currently a number of funding options are being explored and are expected to provide the necessary working capital to allow the consolidated entity to meet its obligations and realize its assets in the ordinary course of business.

AdvanceTC Limited
ACN 600 238 444

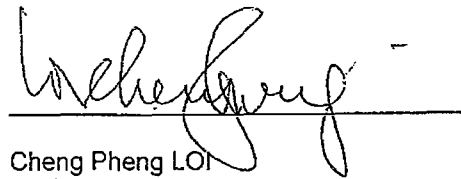
Directors' Declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Cheng Pheng LOI', is written over a horizontal line.

Cheng Pheng LOI
Chairman

12th September 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AdvanceTC Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of AdvanceTC Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 Group's financial position as at 30 June 2018 and its financial 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 the Group, 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.

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 the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 12 September 2018