

AdvanceTC Limited
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 2021
Previous period: For the half-year ended 30 June 2020

2. Key Information

				MYR
Revenue and other income	down	100%	to	0
Loss for the period	up	251%	to	(3,534,194)
Loss for the period attributable to members of the parent	Up	317%	to	(3,134,073)
		Current period		Previous corresponding period
Dividends		N/A		N/A

3. Auditors' 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. An unmodified review conclusion was issued with a material uncertainty on going concern.

4. Attachments

Details of attachments (if any):

The Interim Report of AdvanceTC Limited for the half-year ended 30 June 2021 is attached.

5. Signed



Cheng Pheng Loi
Chief Executive Officer

13 September 2021

AdvanceTC Limited and Controlled Entities

ACN 600 238 444

Interim Report – Half Year Ended 30 June 2021

AdvanceTC Limited and controlled entities

ACN 600 238 444

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Half Year Ended 30 June 2021

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AdvanceTC Limited and controlled entities

ACN 600 238 444

Corporate Information Half Year Ended 30 June 2021

Directors

Cheng Pheng Loi
Gim Keong Lee
Jonathan Yeow Koon Loi
Chee Tuck Cho
Chee Seng Cho
Jeffrey William King
Zi Xin Kang
Hooi Beng Lim

Company Secretary

Chee Seng Cho

Registered Office

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

Principal Place of Business

B-01-08, Sunway Nexis,
Jalan PJU 5/1,
Kota Damansara,
47810 Petaling Jaya, Selangor D.E.
Malaysia

Share Registry

Boardroom Pty Ltd
Level 12, Grosvenor Place
225 George Street
SYDNEY NSW 2000
Australia

Solicitors

GRT Lawyers
Level 1, 400 Queen Street
Brisbane QLD 4000
Australia

Bankers

HSBC Malaysia Berhad
8th Floor, South Tower
No 2, Leboh Ampang,
50100 Kuala Lumpur, Malaysia

Commonwealth Bank
Commonwealth Bank of Australia
48, Martin Place Branch
Sydney NSW 2000

Auditors

LNP Audit and Assurance Pty Ltd
Level 14, 309 Kent Street,
Sydney NSW 2000
AUSTRALIA

AdvanceTC Limited shares are listed on the National Stock Exchange of Australia (NSX code A88)

AdvanceTC Limited and controlled entities

ACN 600 238 444

Directors' Report

Half Year Ended 30 June 2021

The Directors present their report, together with the financial statements, on AdvanceTC Limited and its controlled entities, (the 'consolidated entity' or 'Group') consisting of AdvanceTC Limited (the 'Company' or 'Parent') and the entities it controlled at the end of and during the six months ended 30 June 2021.

Directors

The following persons were Directors of AdvanceTC Limited during the whole of the financial six months 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

Jeffrey William King

Hooi Beng Lim

Zi Xin Kang

Principal activity

The principal activity of the Group during the financial period was the design, development and commercialisation of high tech mobile wireless computing and telecommunication devices including its proprietary software and mobile application services primarily based on Malaysia. There were no significant changes in the nature of the principal activity during the period.

Review of operations

Financial performance - The consolidated comprehensive loss after income tax for the six-month period ended 30 June 2021 was MYR 3,534,194 (six months to June 2020: MYR 2,370,820). Losses before interest, tax, depreciation, amortisation and impairments were MYR 3,530,241 (2020: MYR 2,366,591).

Financial position and going concern - As of 30 June 2021, the Group had cash and cash equivalents of MYR 590,616, net current liabilities of MYR 146,018, total liabilities of MYR 4,797,721, of which MYR 1,008,995 were repayable within one year, and is in a net liability position of MYR 2,812,815.

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. The Financial Statements have been prepared on the going concern basis as detailed in Note 3(c).

Should the Group 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 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 Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

Significant changes in the state of affairs and operations outlook

The recovery from the COVID-19 outbreak continues to evolve across the world as at the date of this report. The Directors remain confident that as the COVID-19 is controlled and overcome, and combined with the successful execution of the Group's production and commercialisation plans, the Group performance will correspondingly improve and strengthen.

The design and testing of the new X7 satellite mobile smartphone is now largely complete, with new and exciting features supported such as satellite messaging, Digital Mobile Radio, and TETRA mobile radio and push to talk applications included in range of smart phones to be produced. Production is expected to commence in November 2021 with world-wide distribution targeted at the beginning of 2022.

Further, the Group has signed several marketing and distribution agreements with local Asian and global players to assist with world-wide market penetration of its products.

On 5 March 2021, the Company secured DTC Eligibility by The Depository Trust Company for its shares to trade on the OTC (QB) in the United States, giving rise to further sources of potential equity which expected to flow through to the Group in the second half of the 2021 financial year. Refer to Note 3(c) for further details of potential events which could impact the liquidity, solvency and realisable value of assets, and hence, the Group's ability to continue as a going concern.

AdvanceTC Limited and controlled entities

ACN 600 238 444

Directors' Report**Half Year Ended 30 June 2021****Matters subsequent to the end of the financial year**

On 9 June 2020, the Company issued 35 million shares valued at MYR 21,000,000. As at 30 June 2021, shares valued at MYR 6,683,000 were fully paid and are included in the share capital on the consolidated balance sheet with the unpaid portion held in escrow until such time payment is received by the Company. Shareholders have agreed to settle the remaining amounts by 15 December 2021 in progressive instalments based on the following agreed payment schedule;

Date	Total	Received between 9 June and 30 June 2021	Balance as of 30 June 2021	Received between 1 July 2021 and 13 September 2021	Remaining balance at 13 September 2021
9 June - 15th July 2021	6,683,000	(6,683,000)	-	-	-
1 - 15th July 2021	100,000	-	100,000	100,000	-
1 - 15th August 2021	510,000	-	510,000	150,000	360,000
1 - 15th September 2021	1,260,000	-	1,260,000	-	1,260,000
1 - 15th October 2021	2,410,000	-	2,410,000	-	2,410,000
1 - 15th November 2021	3,545,000	-	3,545,000	-	3,545,000
1 - 15th December 2021	6,492,000	-	6,492,000	-	6,492,000
Total	21,000,000	(6,683,000)	14,317,000	250,000	14,067,000

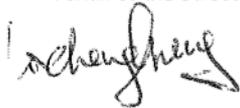
Except for the matters stated above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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:



Cheng Pheng Loi

Chief Executive Officer

13 September 2021

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ADVANCETC LIMITED

As lead auditor of AdvanceTC Limited and controlled entities for the half year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements as set out in 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.

LNP Audit and Assurance Pty Ltd



Anthony Rose
Director

Sydney, 13 September 2021

AdvanceTC Limited and controlled entities

ACN 600 238 444

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Half Year Ended 30 June 2021**

	Note	30 Jun 2021 MYR	30 Jun 2020 MYR
Other income		-	12,350
Employee benefits expense		(1,270,035)	(970,212)
Professional fees		(865,267)	(646,813)
Other expenses		(1,398,892)	(765,082)
Finance costs		-	(1,063)
Loss before income tax expense		(3,534,194)	(2,370,820)
Income tax benefit		-	-
Loss for the period		(3,534,194)	(2,370,820)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(3,534,194)	(2,370,820)
Loss attributable to:			
Members of the parent entity		(3,134,073)	(2,184,501)
Non-controlling interests		(400,121)	(186,319)
		(3,534,194)	(2,370,820)
Total comprehensive loss attributable to:			
Members of the parent entity		(3,134,073)	(2,184,501)
Non-controlling interests		(400,121)	(186,319)
		(3,534,194)	(2,370,820)
Earnings per share attributable to members of the parent entity		Cents	Cents
Basic earnings per share (cents per share)	4	(0.83)	(0.53)
Diluted earnings per share (cents per share)	4	(0.83)	(0.53)

The accompanying notes form part of these financial statements

AdvanceTC Limited and controlled entities

ACN 600 238 444

**Consolidated Statement of Financial Position
As At 30 June 2021**

	Note	30 Jun 2021 MYR	31 Dec 2020 MYR
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		590,616	1,345,917
Advances and other receivables	6	272,361	891,298
TOTAL CURRENT ASSETS		862,977	2,237,215
NON-CURRENT ASSETS			
Property, plant and equipment		11,983	14,686
Advances and other receivables	6	1,109,946	-
TOTAL NON-CURRENT ASSETS		1,121,929	14,686
TOTAL ASSETS		1,984,906	2,251,901
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	1,008,995	1,426,620
TOTAL CURRENT LIABILITIES		1,008,995	1,426,620
NON-CURRENT LIABILITIES			
Other payables	7	3,788,726	2,325,402
TOTAL NON-CURRENT LIABILITIES		3,788,726	2,325,402
TOTAL LIABILITIES		4,797,721	3,752,022
NET LIABILITIES		(2,812,815)	(1,500,121)
EQUITY			
Issued capital	8	44,857,319	42,635,819
Accumulated losses		(45,533,634)	(42,399,561)
Total equity attributable to equity holders of the Company		(676,315)	236,258
Non-controlling interest		(2,136,500)	(1,736,379)
TOTAL EQUITY		(2,812,815)	(1,500,121)

The accompanying notes form part of these financial statements

AdvanceTC Limited and controlled entities

ACN 600 238 444

**Consolidated Statement of Changes in Equity
For the Half Year Ended 30 June 2021****30 June 2021**

	Ordinary Shares MYR	Accumulated losses MYR	Non- Controlling Interests MYR	Total Equity MYR
Balance at 1 January 2021	42,635,819	(42,399,561)	(1,736,379)	(1,500,121)
Total comprehensive loss for the period	-	(3,134,073)	(400,121)	(3,534,194)
Share Issued during the period	2,221,500	-	-	2,221,500
Balance at 30 June 2021	<u>44,857,319</u>	<u>(45,533,634)</u>	<u>(2,136,500)</u>	<u>(2,812,815)</u>

30 June 2020

Balance at 1 January 2020	24,857,277	(25,171,712)	(1,601,363)	(1,915,798)
Total comprehensive loss for the period	-	(2,184,501)	(186,319)	(2,370,820)
Shares issued during the period	3,222,580	-	-	3,222,580
Balance at 30 June 2020	<u>28,079,857</u>	<u>(27,356,213)</u>	<u>(1,787,682)</u>	<u>(1,064,038)</u>

The accompanying notes form part of these financial statements

AdvanceTC Limited and controlled entities

ACN 600 238 444

**Consolidated Statement of Cash Flows
For the Half Year Ended 30 June 2021**

	Note	30 Jun 21 MYR	30 Jun 20 MYR
Receipts from customers		-	12,350
Payments to suppliers and employees		(2,975,551)	(530,879)
Interest and other costs of finance paid		-	(1,063)
Net cash used in operating activities	10	(2,975,551)	(519,592)
Payments for purchases of property, plant and equipment		(1,250)	(5,881)
Net cash used in investing activities		(1,250)	(5,881)
Repayment of borrowings		-	(23,254)
Issue of shares		2,221,501	750,000
Net cash provided by financing activities		2,221,501	726,746
Net (decrease) / increase in cash held		(755,301)	201,273
Cash and cash equivalents at beginning of period		1,345,917	7,125
Cash and cash equivalents at end of period		590,616	208,398

The accompanying notes form part of these financial statements

**Notes to the Financial Statements
For the Half Year Ended 30 June 2021**

1. Basis of Preparation

The consolidated financial statements (the 'interim financial report') are those of AdvanceTC Limited (the 'Company') and its controlled entities (together the 'Group') during the six months ended 30 June 2021 and at the reporting date. AdvanceTC Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the National Stock Exchange of Australia.

The principal activity of the Group during the financial period was the design, development and commercialisation of high tech mobile wireless computing and telecommunication devices including its proprietary software and mobile application services primarily based on Malaysia. There were no significant changes in the nature of the principal activity during the period.

This interim financial report for the reporting period ending 30 June 2021 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such it does not contain information that represents relatively insignificant changes occurring during the year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2020, together with any public announcements made during the period.

The interim financial report for the six months ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 13 September 2021.

2. Summary of Significant Accounting Policies

The accounting policies adopted in the preparation of the financial statements for the half-year ended 30 June 2021 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the period ended 31 December 2020.

Standards Issued But Not Yet Effective

There are a number of new accounting standards and amendments issued, but not yet effective, none of which have been early adopted by the Group in this Financial Report. The new standards and amendments (noted below), when applied in future periods, are not expected to have a material impact on the financial position of the Group.

- Amendments to AASB 101: Classification of Liabilities as Current or Non-current;
- AASB 2019-3 Amendments to AASs – Interest Rate Benchmark Reform [Phase 2];
- AASB 2020-3 Amendments to AASB 3 – Reference to the Conceptual Framework; and
- AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract.

3. Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made are:

(a) Recoverability of loan advances

Consideration of the recoverability of advances requires significant judgement in relation to the knowledge of the counterparty debtor and how and when it will be recoverable. The details of the advance are disclosed in note 6, and further details of contingent shares to be issued to the debtor are given in note 12.

On the basis of the information available and contracts that have been entered into, the Directors have carefully considered and reviewed the facts and circumstances to determine whether there is any objective evidence that any of the balance is impaired as at the balance date. In the Directors opinion, no material indicators of impairment have been identified as at the balance date and accordingly no impairment allowance has been made.

(b) Classification of payables as current / non-current

At 30 June 2021, the Group has obtained written agreements of moratoriums on repayments of creditors totalling MYR 3,772,834 to defer settlement until December 2022. The accounting effect of the moratoriums is that MYR 3,772,834 now fall after 12 months from the date of the financial report and have been classified as non-current liabilities on the consolidated balance sheet at 30 June 2021.

**Notes to the financial statements
For the Half Year Ended 30 June 2021**

(c) Going concern

The Group incurred a net loss of MYR 3,534,194 during the six months ended 30 June 2021 and as of that date, the Group had cash and cash equivalents of MYR 590,616, net current liabilities of MYR 146,018, total liabilities of MYR 4,797,721, of which MYR 1,008,995 were repayable within one year, and is in a net liability position of MYR 2,812,815.

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.

The ability of the Group to continue as a going concern is dependent upon being able to manage its liquidity requirements to meet the levels of expenditure required by to continue to develop and bring to market the next generation of integrated mobile communication devices and to meet the groups other operational working capital requirements until such a time that the Group can achieve sustainable revenue and profitability by taking some or all the following actions:

- Raising additional equity as and when necessary. During the period, the Group raised MYR 2,221,501 of new capital and has further capital raisings planned on an ongoing basis to fund its requirements;
- On 5 March 2021, the Company secured DTC Eligibility by The Depository Trust Company for its shares on the OTC (QB) exchange in the United States giving rise to further sources of potential equity.
- Making agreements with creditors to defer payment of liabilities. At 30 June 2021, the Group has obtained written agreements of moratoriums on repayments of creditors totalling MYR 3,772,834 to defer settlement until December 2022. The Directors expect that this and potential ongoing support will continue; and
- Achieving sustainable revenue from the successful commercialisation of its range of satellite mobile smartphones and proprietary community software applications in an appropriate timescale given the fast pace of technological development.

While the financial condition of the Group gives rise to a material uncertainty in relation to the Group's ability to realise its assets and settle its liabilities at the amounts stated in the financial information, on the basis of the above actions, the Directors consider the Group will be able to meet its obligations as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Should the Group 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 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 Group not be able to achieve the matters set out above and thus be able to continue as a going concern.

AdvanceTC Limited and controlled entities

ACN 600 238 444

**Notes to the Financial Statements
For the Half Year Ended 30 June 2021****4. Earnings per Share**

Earnings used to calculate overall earnings per share (EPS)

	30 Jun 2021 MYR	30 Jun 2020 MYR
Earnings used to calculate basic and diluted earnings per share	<u>(3,534,194)</u>	<u>(2,114,867)</u>
	30 Jun 2021 MYR No.	30 Jun 2020 MYR No.
Weighted average number ordinary shares outstanding during the period used in calculating basic and diluted EPS	<u>424,799,962</u>	<u>396,885,16</u>

5. Dividends

There were no dividends paid or recommended during the six months period. There are no franking credits available to the shareholders of the Company.

6. Advances and other receivables

	30 Jun 2021 MYR	31 Dec 2020 MYR
CURRENT		
Other receivables and prepayments	72,361	18,932
Advances (a)	<u>200,000</u>	<u>872,366</u>
	<u>272,361</u>	<u>891,298</u>
NON-CURRENT		
Advances (a)	<u>1,109,946</u>	<u>-</u>

The carrying value of receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable in the financial statements.

- (a) The advances represent amounts advanced by the Company to a third party, TBS Equities Fund LLC ('TBS'), during the period to carry out capital raising activities pursuant to an Equity Purchase Agreement. Under the agreement, the amount is recoverable within 6 to 18 months of the date of this report whether or not capital is raised, and no interest is chargeable on the amount. The latest date the amount is recoverable under the contract is 31 December 2022. If capital is raised then TBS will be granted rights to purchase shares in the Company at a 40% discount on the market price, if no capital is raised then no shares will be issued.

No receivables balances are past due at the reporting date.

7. Trade and other payable

	30 Jun 2021 MYR	31 Dec 2020 MYR
CURRENT		
Trade payables (a)	249,793	249,793
Other payables (b)	<u>759,202</u>	<u>1,176,827</u>
	<u>1,008,995</u>	<u>1,426,620</u>
NON-CURRENT		
Other payables (b)	<u>3,788,726</u>	<u>2,325,402</u>
	<u>4,797,721</u>	<u>3,752,022</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 and interest free.

AdvanceTC Limited and controlled entities

ACN 600 238 444

**Notes to the Financial Statements
For the Half Year Ended 30 June 2021****8. Issued Capital**

	30 Jun 2021 MYR	31 Dec 2020 MYR
Paid-up Capital		
424,799,962 (31 December 2020: 421,097,462) Ordinary shares	<u>44,857,320</u>	<u>42,635,819</u>

Ordinary shares

	30 Jun 21 No.	31 Dec 20 No.	30 Jun 21 MYR	31 Dec 20 MYR
At the beginning of the period	421,097,462	390,140,547	42,635,819	24,857,277
Shares issued and paid during the period	3,702,500	30,956,915	2,221,501	17,778,542
Total paid up capital at the end of the reporting period	<u>424,799,962</u>	<u>421,097,462</u>	<u>44,857,320</u>	<u>42,635,819</u>
Shares issued and not paid yet – held in an escrow	23,861,667	27,564,167	-	-
At the end of the reporting period	<u>448,661,629</u>	<u>448,661,629</u>	<u>44,857,320</u>	<u>42,635,819</u>

In the year ended 31 December 2020, the Company issued 35,000,000 shares of which only 11,138,333 were fully paid as of the reporting date. The remaining 23,861,667 shares are held in an escrow and are payable to the Company in monthly instalments until December 2021 when the escrow will be released.

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.

9. Cash flow information

	30 Jun 21 MYR	30 Jun 20 MYR
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before taxation	(3,534,194)	(2,370,820)
Adjustments for non-cash items:		
Depreciation	3,953	3,166
Interest	-	(1,063)
Fair value loss on non-current payables	-	303,927
Net cash flows used in operations	<u>(3,530,241)</u>	<u>(2,064,790)</u>
Adjustments for:		
Increase in trade and other receivables	(491,009)	(994,349)
Increase in inventories	-	(103,440)
Increase in trade and other payables	<u>1,045,699</u>	<u>2,642,987</u>
Cash flows from operating activities	<u>554,690</u>	<u>(519,592)</u>
Net cash flows from operating activities	<u>(2,975,551)</u>	<u>(519,592)</u>

AdvanceTC Limited and controlled entities

ACN 600 238 444

Notes to the Financial Statements For the Half Year Ended 30 June 2021

10. Related parties

The Group's main related parties are key management personnel including close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	30 Jun 2021 MYR	30 Jun 2020 MYR
Payable to or receivable from related parties at period end		
Directors' loans (payable by the Group)	(160,580)	(32,721)
Top ATC Industries Sdn Bhd	(3,472,834)	(1,001,878)
Transaction occurring during the period:		
Key management personnel remuneration	342,600	354,600
Directors' loan advanced/(repaid)	-	(13,471)
Net movement in intercompany current account with Top ATC Sdn Bhd	1,243,679	3,255,422

11. Commitments and contingencies

AdvanceTC Limited has entered into an arrangement (hereafter referred to as an "Equity Purchase Agreement") with TBS Equities Fund LLC (TBS), an equity broker, to raise funds on the US OTC market on the Group's behalf. Upon successful execution under specific terms of the agreement, TBS is entitled to purchase up to 6 million shares in the Company at a discount of 40% on the market share price at the date of purchase.

The Group is committed to continue development of its technology and bring it to market. The Group intends to fund this by additional share issues as disclosed elsewhere in this report.

12. Events after the reporting period

The financial report was authorised for issue on 13 September 2021 by the board of Directors.

Refer to the Directors' report for other matters occurring after the period end. Except for the matters stated therein, no other matters or circumstances have arisen since the end of the financial 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.

AdvanceTC Limited and controlled entities
ACN 600 238 444

Directors' Declaration
Half Year Ended 30 June 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the six months ended on that date; and
- there are reasonable grounds to believe that the Group 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



Cheng Pheng Loi

Chief Executive Officer

13 September 2021

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 controlled entities (the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2021, 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 ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Company.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Group's does not comply with the Corporation Act 2001 including:

- (a) Giving a true and fair view of the Group's consolidated financial position as at 30 June 2021 and of its consolidated financial performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standards 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporation Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Relating to Going Concern

We draw attention to Note 3(c) in the financial report which indicates that the Company incurred a total comprehensive loss of MYR 3,534,194 for the half year ended 30 June 2021 and, as at that date, the Company's total liabilities exceeded its total assets by MYR 2,812,815. As started in Note 3(c) these events or conditions, along with other matters set out in Note 3(c), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

No adjustments have been made to the financial report relating to the recoverability or classification of the recorded asset amounts and classification of liabilities that maybe necessary should the Company not continue as a going concern.

Responsibility of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the half year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 Company'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*.

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.

LNP Audit and Assurance Pty Ltd



Anthony Rose
Director

Sydney, 13 September 2021