

AdvanceTC Limited

ACN 600 238 444

Financial Statements

For the Period Ended 30 June 2014

AdvanceTC Limited
ACN 600 238 444

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For the Period Ended 30 June 2014

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Directors' Report

For the Period Ended 30 June 2014

The directors present their first report on AdvanceTC Limited for the financial period ended 30 June 2014. The company was incorporated on 20 June 2014 and these financial statements cover operations from that date to 30 June 2014.

1. General Information

Information on directors

The names of each person who has been a director during the period and to the date of this report are:

Loi Cheng Pheng	Director (appointed 20 June 2014)
Cho Chee Seng	Director (appointed 20 June 2014)
William Keng Yaw Tan	Director (appointed 20 June 2014)
Jonathan Yeow Koon Loi	Director (appointed 14 July 2014)
Chee Tuck Cho	Director (appointed 14 July 2014)
Gim Keong Lee	Director (appointed 14 July 2014)

Principal activities

The principal activity of AdvanceTC Limited during the financial period was to act as a proposed holding company for AdvanceTC Sdn. Bhd. and its 82.4% subsidiary Advance Tech Communications Sdn. Bhd. These companies specialise in the design, development and commercialisation of high tech mobile wireless computing and telecommunication devices.

No significant changes in the nature of the Company's activity occurred during the financial period.

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ Nil.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review of operations

The Company did not trade.

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the period.

Matters or circumstances arising after the end of the year

On 7 July 2014 the Company acquired 100% of the issued capital of AdvanceTC Sdn Bhd, a company incorporated and having its principal place of business in Malaysia. AdvanceTC Sdn Bhd owns 82.4% of Advance Tech Communications Sdn Bhd which is the group's operating entity. The purchase consideration was settled through this issue of shares in the Company. Refer to note 11 for further details.

Directors' Report

For the Period Ended 30 June 2014

3. Other items continued

Matters or circumstances arising after the end of the year continued

Except for the 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 Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Company secretary

The following person held the position of Company secretary at the end of the financial period:

Elissa Hansen has been the company secretary since 20 June 2014.

Meetings of directors

During the financial period, one meeting of directors (including committees of directors) were held. Attendances by each director during the period were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Loi Cheng Pheng	1	1	-	-	-	-
Cho Chee Seng	1	1	-	-	-	-
William Keng Yaw Tan	1	1	-	-	-	-
Jonathan Yeow Koon Loi	-	-	-	-	-	-
Chee Tuck Cho	-	-	-	-	-	-
Gim Keong Lee	-	-	-	-	-	-

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of AdvanceTC Limited.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

AdvanceTC Limited
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Directors' Report

For the Period Ended 30 June 2014

3. Other Items continued

Shares Under Option

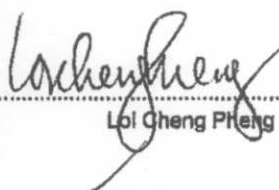
No Options over ordinary shares of AdvanceTC Limited were issued during the financial period. None have been issued since the end of the period.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 30 June 2014 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:



Loi Cheng Pheng

Dated: 25 July 2014

AdvanceTC Limited
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**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 To the Directors of AdvanceTC Limited**

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2014, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

[Enter place of signing]

Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 June 2014

	Note	2014 \$
Revenue		-
Cost of sales		-
		<hr/>
Profit before income tax		-
Tax expense		-
		<hr/>
Profit from continuing operations		-
		<hr/>
Profit for the period		-
		<hr/>
Other comprehensive income, net of income tax		-
		<hr/>
Total comprehensive income for the year		-
		<hr/>

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 30 June 2014

	Note	2014 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		-
Trade and other receivables	2	100
TOTAL CURRENT ASSETS		<u>100</u>
NON-CURRENT ASSETS		
Plant and equipment		-
TOTAL NON-CURRENT ASSETS		<u>-</u>
TOTAL ASSETS		<u>100</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		-
TOTAL CURRENT LIABILITIES		<u>-</u>
NON-CURRENT LIABILITIES		
Borrowings		-
TOTAL NON-CURRENT LIABILITIES		<u>-</u>
TOTAL LIABILITIES		<u>-</u>
NET ASSETS		<u>100</u>
EQUITY		
Share capital	3	100
Retained earnings		-
TOTAL EQUITY		<u>100</u>

Statement of Changes in Equity
For the Period Ended 30 June 2014

30 June 2014

	Note	Share Capital \$	Retained Earnings \$	Total \$
Profit for the period		-	-	-
Other comprehensive income for the period		-	-	-
Total other comprehensive income for the period		-	-	-
Transactions with owners in their capacity as owners				
Issuance of shares during the financial period		100	-	100
Balance at 30 June 2014		100	-	100

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Period Ended 30 June 2014

	Note	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash provided by (used in) operating activities		-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used by investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities		-
Net increase (decrease) in cash and cash equivalents held		-
Cash and cash equivalents at end of the period		-

AdvanceTC Limited

ACN 800 238 444

Notes to the Financial Statements

For the Period Ended 30 June 2014

The financial report covers AdvanceTC Limited as an individual entity. AdvanceTC Limited is a for profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of AdvanceTC Limited during the period is Australian Dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

These accounts are the first financial statements of the company. Accordingly, there are no comparatives for the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and accompanying notes. The statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and accompanying notes cover the results of operations from 20 June 2014 (the date of the company's incorporation) to 30 June 2014.

(c) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the period).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the period and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(c) Income Tax continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(e) Revenue recognition

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Plant and Equipment

Plant and equipment

Plant and equipment are measured using the cost model.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measure reliably. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Plant and equipment are depreciated on the straight line to write off cost of plant and equipments over their estimated useful lives

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these plant and equipment.

(h) Financial Instruments

Financial Instruments are recognised initially using trade date accounting, i.e. on the date that Company becomes party to the contractual provisions of the instrument.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The Company's available-for-sale financial assets include listed securities and its investment in Example Investment Company.

Purchases and sales of available-for-sale investments are recognised on settlement date.

The investment in [investment name] is reported at cost less any impairment charges, as its fair value cannot currently be reliably estimated.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

Losses recognised in prior period consolidated income statements resulting from the impairment of debt securities are reversed through the income statement, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(i) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(l) Impairment of non-financial assets continued

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(k) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(m) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of AdvanceTC Limited's entities is measured using the currency of the primary economic environment in which that entity operates.

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(m) Foreign currency transactions and balances continued

- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(n) 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.

Key judgments - taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

Different jurisdictions

The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(o) Going concern

The financial report has been prepared on the going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from the shareholders of the Company to allow the Company to meet its liabilities and it is the belief of the shareholders that such financial support will continue to be made available.

The Company intends to apply for listing on the National Stock Exchange of Australia Limited ("NSX").

The directors are of the opinion that the Company will be able to operate profitably in the foreseeable future to repay its short term loans, obtain continuing financial support from certain shareholders and have adequate working capital to finance its development and other activities and therefore continue as going concern and accordingly, realise their assets and discharge their liabilities in the normal course of business.

In view of the foregoing, the directors consider that it is appropriate to prepare the financial statements of the

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(o) Going concern continued

Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Company be not appropriate.

(p) Adoption of new and revised accounting standards

During the current period, the following standards became mandatory and have been adopted retrospectively by the Company:

- *AASB 10 Consolidated Financial Statements*
- *AASB 11 Joint Arrangements*
- *AASB 12 Disclosure of Interests in Other Entities*
- *AASB 13 Fair Value Measurement*
- *AASB 119 Employee Benefits*
- *AASB 127 Separate Financial Statements*
- *AASB 128 Investment in Associates and Joint Ventures*
- *AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- *AASB 2012-9 Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*
- *AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses.

(q) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Notes to the Financial Statements

For the Period Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(q) New Accounting Standards and Interpretations continued

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place..

2 Trade and other receivables

	2014 \$
CURRENT	
Other receivables	100
Total current trade and other receivables	<u>100</u>

3 Issued Capital

	2014 \$
100 Ordinary shares	<u>100</u>

4 Capital and Leasing Commitments

The Company did not have any capital or leasing commitments during the period.

5 Financial Risk Management

The Company is not exposed to financial risk through its use of financial instruments.

Objectives, policies and processes

Risk management is carried out by the Company's Board of Directors. Management has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Company, these policies and procedures are then tabled at the board meetings for approval.

6 Capital Management

Management controls the capital of the Company in order to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To

Notes to the Financial Statements

For the Period Ended 30 June 2014

6. Capital Management continued

maintain or adjust capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There are no externally imposed capital requirements.

Management effectively manage the Company capital by using a gearing ratio, which is net debts divided by total capital plus net debts. Net debts comprises term loan and finance lease payables less cash and bank balances whilst total capital is the total equity.

7 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of AdvanceTC Limited during the period was \$nil.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 10: Related Party Transactions.

8 Remuneration of Auditors

	2014 \$
Audit Services	1,500
Other Services	Nil

9 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014.

10 Related Parties

The Company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 7: Key Management Personnel Compensation.

(b) Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

(c) Transactions with related parties

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:

Notes to the Financial Statements

For the Period Ended 30 June 2014

10. Related Parties continued

(c) Transactions with related parties continued

100 fully paid ordinary \$1.00 shares in the Company were issued to Mr. Loi Cheng Pheng on incorporation.

Incidental administration costs associated with running the Company to date have been met by the subsidiary company, Advance Tech Communications Sdn Bhd.

11 Events Occurring After the Reporting Date

The financial report was authorised for issue on [date] by the board of directors.

On 7 July 2014 the Company acquired 100% of the issued capital of AdvanceTC Sdn Bhd, a company incorporated and having its principal place of business in Malaysia. AdvanceTC Sdn Bhd owns 82.4% of Advance Tech Communications Sdn Bhd, a company also incorporated in Malaysia, which is the group's operating entity.

The acquisition is part of the Company's overall strategy to list on the NSX.

Through acquiring 100% of the issued capital, the Company has obtained control of AdvanceTC Sdn Bhd.

The purchase was satisfied by the issue of 300,317,450 ordinary shares of the Company. The financial effect of this transaction has not been brought to account in the 2014 financial report.

12 Company Details

The registered office of the company is:

AdvanceTC Limited
Level 7, 207 Kent Street
Sydney NSW 2000

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the period ended 30 June 2014 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
Loi Cheng Pheng

Dated: 25 July 2014

AdvanceTC Limited
ACN 600 238 444

Independent Auditor's Report to the members of AdvanceTC Limited

[Enter place of signing]



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DECLARATION OF INDEPENDENCE BY DAMIAN WRIGHT TO THE DIRECTORS OF ADVANCETC LIMITED

As lead auditor of AdvanceTC Limited for the period ended 30 June 2014, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Damian Wright

Director

BDO Audit Pty Ltd

Brisbane, 25 July 2014



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INDEPENDENT AUDITOR'S REPORT

To the members of AdvanceTC Limited

Report on the Financial Report

We have audited the accompanying financial report of AdvanceTC Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, 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 AdvanceTC Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of AdvanceTC Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

BDO Audit Pty Ltd

Damian Wright

Director

Brisbane, 25 July 2014