

**AdvanceTC Limited**  
ACN 600 238 444

**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 2015
Previous period:	For the half-year ended 30 June 2014

**2. Corporate Overview**

This year was a transition year for Windows based hybrid devices due to Microsoft major upgrade to Windows 10. We have not been active in the market as the hybrid devices market, from ultra-notebooks to tablets and slates, has been less active than most had anticipated. We fully expect hybrid devices to be the major innovation driver in the portable devices market starting Q1 2016. In the smart phone device market, the ANDROID (big screen 5.5") smart phone market segment has been the fastest growing segment during period and will continue to enjoy rapid growth.

To broaden our portfolio of products and to tap into the growing market segment for ANDROID big screen smart phone, we have entered into a 75% owned Joint Venture with a French owned R&D company developing ANDROID and Windows 10 capable smart-phones. The joint venture company called ADVANCE CILICON LTD will start shipping the new MAGIC X6 ANDROID (big screen 5.5") smart phone from September onwards. We have secured significant launch orders and we anticipate a very rapid sales ramp up within Q4 2015. We expect this joint venture to contribute upwards of USD20 million in Group income over the next 12 months.

For our core hybrid Windows based mobile devices market, we are in advance stage to complete the commercial units for our core products MAGIC ZLATE X and MAGIC QUAD (SUPERPHONE). With the Windows 10 transition completed by end 2015, we can expect rapidly growing revenues from them during 2016.

We have been actively seeking additional working capital to fund our market expansion. We are achieving good results with our funding efforts. We fully expect to be selling our new ANDROID / Windows 10 (big screen 5.5") smart-phones as well as our core Windows based hybrid devices in 2016 in USA, Europe, ASIA including Australia and South East Asia.

We will make announcements in the coming weeks for our MAGIC X 6 (5.5") smart-phone platform launch and our major sales contracts/orders for them.

**For announcement to the market**

Extracts from this statement for announcement to the market

				MYR
Revenue	up/down	(96%)	to	(244,360)
Profit (loss) for the period	up/down	186%	to	(3,603,963)
Profit (loss) for the period attributable to members of the parent	up/down	142%	to	(3,043,551)
<b>Dividends</b>	Current period		Previous corresponding period	
Franking rate applicable:	N/A		N/A	

**AdvanceTC Limited**  
ACN 600 238 444

**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.

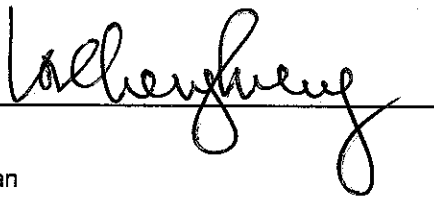
**4. Attachments**

*Details of attachments (if any):*

The Interim Report of AdvanceTC Limited for the half-year ended 30 June 2015 is attached.

**5. Signed**

Signed

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CP Loi  
Chairman

8 September, 2015

**AdvanceTC Limited**

**ACN600 238 444**

**Interim Report - 30 June 2015**

**AdvanceTC Limited**  
ACN 600 238 444

**Directors' Report**  
**30 June 2015**

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 2015.

**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:

Loi Cheng Pheng  
Lee GimKeong  
LoiYeow Koon, Jonathan  
Cho Chee Tuck  
Cho CheeSeng  
Tan Keng Yaw, William

**Principal activities**

The principal activities of the Group during the interim financial period were to act as a holding company for AvanceTCSdnBhd, a company incorporated and having its principal place of business in Malaysia. AvanceTCSdnBhd owns 82.4% of Advance Tech CommunicationSdnBhd, a company also incorporated in Malaysia, which is the group's operating entity and specializes in the design, development and commercialization of high tech mobile wireless computing and telecommunication devices, and it is the creator of the MAGIC™ brand of mobile computing devices and operates development facilities in Malaysia.

**Review of operations**

This year was a transition year for Windows based hybrid devices due to Microsoft major upgrade to Windows 10. We have not been active in the market as the hybrid devices market, from ultra-notebooks to tablets and slates, has been less active than most had anticipated. We fully expect hybrid devices to be the major innovation driver in the portable devices market starting Q1 2016. In the smart phone device market, the ANDROID (big screen 5.5") smart phone market segment has been the fastest growing segment during period and will continue to enjoy rapid growth.

To broaden our portfolio of products and to tap into the growing market segment for ANDROID big screen smart phone, we have entered into a 75% owned Joint Venture with a French owned R&D company developing ANDROID and Windows 10 capable smart-phones. The joint venture company called ADVANCE CILICON LTD will start shipping the new MAGIC X6 ANDROID (big screen 5.5") smart phone from September onwards. We have secured significant launch orders and we anticipate a very rapid sales ramp up within Q4 2015. We expect this joint venture to contribute upwards of USD20 million in Group income over the next 12 months.

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**AdvanceTC Limited**  
ACN 600 238 444

**Directors' report**  
**30 June 2015**

**Significant changes in the state of affairs**

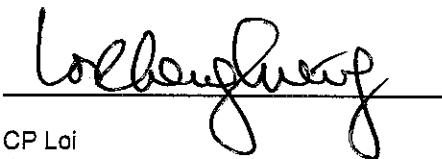
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

**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 'CP Loi', is written over a horizontal line.

CP Loi  
Chairman  
8 September, 2015

**AdvanceTC Limited**

CAN 600 238 444

**Auditors Independence Declaration**



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Australia

**DECLARATION OF INDEPENDENCE BY D P WRIGHT TO THE DIRECTORS OF ADVANCETC LIMITED**

As lead auditor for the review of AdvanceTC Limited for the half-year ended 30 June 2015, 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.

D P Wright  
Director

**BDO Audit Pty Ltd**

Brisbane, 8 September 2015

**AdvanceTC Limited**  
ACN 600 238 444

**Contents**  
**30 June 2015**

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**General information**

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

AdvanceTCLimited 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**

G-01, Emerald Plaza North, Jalan PJU 8/3A  
DamansaraPerdana, 47820 Petaling Jaya  
Selangor DarulEhsan  
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 8 September, 2015.

**Statement of Profit or Loss and Other Comprehensive Income  
For The Half-Year Ended 30 June 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 Jun 2015 MYR</b>	<b>30 Jun 2014 MYR</b>
Revenue	3	244,360	6,798,546
Other income	3	380,032	65,199
Change in inventories of finished goods and work in progress		(205,822)	(126,647)
Purchases		-	(5,165,308)
Employee benefits expense		(617,891)	(715,955)
Depreciation and amortization expense		(1,227,781)	(1,399,136)
Other expenses		(2,168,165)	(679,023)
Finance costs		(8,696)	(36,186)
<b>Loss for the half-year</b>		<b>(3,603,963)</b>	<b>(1,258,510)</b>
Income tax expense		-	-
<b>Loss for the half-year</b>		<b>(3,603,963)</b>	<b>(1,258,510)</b>
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year</b>		<b>(3,603,963)</b>	<b>(1,258,510)</b>
Loss attributable to:			
Members of the parent entity		(3,043,551)	(1,258,510)
Non-controlling interest		(560,412)	-
		<b>(3,603,963)</b>	<b>(1,258,510)</b>
Total comprehensive income attributable to:			
Members of the parent entity		(3,043,551)	(1,258,510)
Non-controlling interest		(560,412)	-
		<b>(3,603,963)</b>	<b>(1,258,510)</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Profit continuing operation			
Basic earnings per share (cents per share)	5	(1.0)	(0.4)
Diluted earnings per share (cents per share)		(1.0)	(0.4)

**AdvanceTC Limited**  
ACN 600 238 444

**Statement of Financial Position**  
**As At 30 June 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>30 Jun 2015</b>	<b>31 Dec 2014</b>
		<b>MYR</b>	<b>MYR</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		263,693	175,231
Trade and other receivables		316,822	325,742
Inventories		286,683	528,511
<b>TOTAL CURRENT ASSETS</b>		<b>867,198</b>	<b>1,029,484</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		66,277	88,569
Intangible assets	6	10,693,968	14,663,107
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,760,245</b>	<b>14,751,676</b>
<b>TOTAL ASSETS</b>		<b>11,627,443</b>	<b>15,781,160</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	4,132,353	3,088,589
Borrowings		937,414	991,545
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,069,767</b>	<b>4,080,134</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	7	1,035,525	5,864,016
Borrowings		260,403	278,963
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,295,928</b>	<b>6,142,979</b>
<b>TOTAL LIABILITIES</b>		<b>6,365,695</b>	<b>10,223,113</b>
<b>NET ASSETS</b>		<b>5,261,748</b>	<b>5,558,047</b>
<b>EQUITY</b>			
Issued capital	8	11,767,731	8,967,041
Other contributed equity		3,471,647	2,964,673
Retained profits		(10,186,038)	(7,142,487)
<b>Total equity attributable to equity holders of the Company</b>		<b>5,053,340</b>	<b>4,789,227</b>
Non-controlling interest		208,408	768,820
<b>TOTAL EQUITY</b>		<b>5,261,748</b>	<b>5,558,047</b>

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

**Statement of cash flows**  
**For the half-year ended 30 June 2015**

	<b>Consolidated</b>	
<b>Note</b>	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
	<b>MYR</b>	<b>MYR</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
(Loss) before taxation	(3,603,963)	(1,258,510)
Adjustments for:		
Depreciation	22,292	23,067
Amortisation	1,205,489	1,366,068
Gain on disposal	(320,000)	-
Impairment of development cost	1,100,000	-
Interest expense	8,696	36,186
Fair value loss on non-current payables	708,533	-
<b>Cash generated from operations</b>	<b>(878,953)</b>	<b>166,811</b>
Adjustments for:		
(Increase)/decrease in trade and other receivables	8,920	(7,173,451)
(Increase)/decrease in inventories	241,828	-
Increase/(decrease) in trade and other payables	(2,480,534)	5,503,232
Cash flows from used/(used in) operating activities	(3,108,739)	(1,503,408)
Interest paid	(8,696)	(36,186)
Net cash flows from used/(used in) operating activities	(3,117,435)	(1,539,594)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Development expenditure incurred	(16,350)	(643,690)
Purchase of property, plant and equipment	-	(3,526)
Net cash flows from used/(used in) investing activities	(16,350)	(647,216)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Fund received from share application	3,307,664	-
Proceed from issuance of equity instruments	-	5,444,330
Repayment of term loan	(59,135)	(7,549)
Repayment of finance lease liabilities	(6,057)	(50,000)
Repayment to director and shareholder	(20,226)	(3,026,743)
Net cash flows from used/(used in) investing activities	3,222,246	2,360,038
Net cash increase in cash and cash equivalents	88,462	173,228
Cash and cash equivalents at beginning of financial period	175,231	29,395
Cash and cash equivalents at end of financial period	263,693	202,623

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

**Notes to the Financial Statements**  
**30 June 2015**

**Note 1. Significant accounting policies**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2015 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 2014 and any public announcements made by the company 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.

As at 30 June 2015 the Group has a deficiency in net current assets of MYR4,202,570 (31 December 2014: MYR3,050,650) and the Group has generated losses after income tax for the period of MYR3,603,963 (Year ended 31 December 2014: MYR2,971,027). The Group has generated significant cash outflows from operations.

Notwithstanding this, the financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realization of assets and discharge of liabilities in the ordinary course of business.

The Group's ability to continue to adopt the going concern assumption will depend upon a number of matters including subsequent successful raising, in the future of necessary funding and successful development, and subsequent commercialisation of the MAGICTM brand of high tech mobile wireless computing and telecommunication devices. The Group is currently continuing with the review of a number of funding opportunities. In the interim, the Group is dependent on the continuing financial support of its creditors and significant shareholders. Currently a number of funding options are being explored and are expected to provide the necessary working capital to allow the company to meet its obligations and realize its assets in the ordinary course of business.

In the absence of these matters being successful, there exists a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets, in particular intangible assets of MYR10,693,968, and discharge its liabilities in the ordinary course of business and at the amounts stated in the financial report.

**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.

The group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

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.

**AdvanceTC Limited**  
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**Notes to the Financial Statements**  
**30 June 2015**

**Note 3. Revenue and Other Income**

	<b>Consolidated</b>	
	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
	<b>MYR</b>	<b>MYR</b>
<b>Revenue from continuing operations</b>		
<i>Sales revenue</i>		
- sale of goods	<u>224,360</u>	<u>6,798,546</u>
<b>Total Revenue</b>	<u><b>224,360</b></u>	<u><b>6,798,546</b></u>
<b>Other income</b>		
Other income	<u>60,032</u>	<u>65,199</u>
Gain on disposal of rights	<u>320,000</u>	<u>-</u>
<b>Total Other Income</b>	<u><b>380,032</b></u>	<u><b>65,199</b></u>

**Note 4. Expenses**

	<b>Consolidated</b>	
	<b>30 Jun 2015</b>	<b>30 Jun 2014</b>
	<b>MYR</b>	<b>MYR</b>
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	<u>205,822</u>	<u>5,291,955</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	<u>8,696</u>	<u>36,186</u>
<i>Others expenses</i>		
Employee benefits expenses	<u>617,891</u>	<u>715,955</u>
Depreciation and Amortisation expenses	<u>1,227,781</u>	<u>1,399,136</u>
<i>Rental expense on operating leases</i>		
Office lease payments	<u>27,000</u>	<u>38,500</u>
Fair value adjustment on non-current payable	<u><b>708,533</b></u>	<u><b>-</b></u>

Notes to the financial statements  
30 June 2015

**Note 5. Earnings per Share**

(a) Earnings used to calculate overall earnings per share

	Consolidated	
	30 Jun 2015	30 Jun 2014
	MYR	MYR
Earnings used to calculate overall earnings per share	<u>(3,043,551)</u>	<u>(1,258,510)</u>

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

	Consolidated	
	30 Jun 2015	30 Jun 2014
	MYR	MYR
	No.	No.
Weighted average number ordinary shares outstanding during the year used during the year used in calculating basic EPS	<u>300,385,953</u>	<u>300,317,550</u>

**Note 6. Intangible Assets**

	Consolidated	
	30 Jun 2015	31 Dec 2014
	MYR	MYR
Development cost		
At cost	8,784,594	8,768,244
Accumulated amortization and impairment	<u>(2,376,626)</u>	<u>(832,137)</u>
<b>Net carrying value</b>	<u>6,407,968</u>	<u>7,936,107</u>
Rights		
At cost	7,210,000	9,610,000
Accumulated amortization and impairment	<u>(2,924,000)</u>	<u>(2,883,000)</u>
<b>Net carrying value</b>	<u>4,286,000</u>	<u>6,727,000</u>
<b>Total Intangibles</b>	<u>10,693,968</u>	<u>14,663,107</u>

**Movements in carrying amounts of intangible assets**

Consolidated	Rights MYR	Development costs MYR	Total MYR
<b>Balance as at 1 January 2015</b>			
Balance at the beginning of the period	6,727,000	7,936,107	14,663,107
Additions	-	16,350	16,350
Amortisation	(761,000)	(444,489)	(1,205,489)
Disposals	(1,680,000)	-	(1,680,000)
Impairment	-	(1,100,000)	(1,100,000)
<b>Closing value at 30 June 2015</b>	<u>4,286,000</u>	<u>6,407,968</u>	<u>10,693,968</u>
<b>Balance as at 1 January 2014</b>			
Balance at the beginning of the period	-	7,813,748	7,813,748
Additions	9,610,000	954,496	10,564,496
Amortisation	(2,883,000)	(832,137)	(3,715,137)
<b>Closing value at 31 December 2014</b>	<u>6,727,000</u>	<u>7,936,107</u>	<u>14,663,107</u>

Notes to the Financial Statements  
30 June 2015

**Recoverability of Development costs**

In the current half-year the group tested whether the assets associated with the development of the MAGICTM brand of high tech mobile wireless computing and telecommunication devices have suffered any impairment, in accordance with the accounting policy stated in note 2(l) of the 31 December 2014 financial statements. The recoverable amount of the development costs have been determined based on value-in-use calculations. These calculations require the use of assumptions. These calculations use cash flow projections based on financial budgets approved by management covering a three-year period, to reflect the estimated useful economic life of the asset. The most significant assumptions used in the value-in-use calculation are shown below:

Average budgeted gross margin:	11%
Discount rate:	15% <sup>1</sup>

<sup>1</sup> In performing the value-in-use calculations the group has applied a pre-tax discount rate to discount the forecast future attributable pre-tax cash flows.

**Forecast sales volumes:**

	2H 2015	2016	2017	
Units per annum	32,000	138,000	168,000	The discount rate
used reflects the specific risks relating to the assets and local markets. The sales volumes are based on the market for high tech mobile wireless computing and telecommunication devices in Malaysia, the forecast market penetration of the MAGICTM brand and the distribution agreements agreed to date.				

Should these assumptions not eventuate it may result in an impairment of the development costs in the future.

**Note 7. Trade and other payable**

	Consolidated	
	30 Jun 2015 MYR	31 Dec 2014 MYR
<b>CURRENT</b>		
Trade payables (a)	549,724	517,007
Other payables	3,582,629	2,571,582
	<u>4,132,353</u>	<u>3,088,589</u>
<b>NON-CURRENT</b>		
Related party payables (c)	1,035,525	2,078,078
Other payables (b)	-	3,785,938
	<u>1,035,525</u>	<u>5,864,016</u>

Non-current payables are interest free and stated at fair value. Fair value has been calculated based on an assumed interest rate of 7.85% 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 2015**

	30 Jun 2015	31 Dec 2014
	MYR	MYR
Related party payables	1,041,321	2,365,225
Other payables	-	4,200,506
Fair value adjustment	(5,796)	(701,715)
	<u>1,035,525</u>	<u>5,864,016</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 non-current other payables represent shareholders advances and site licensing rights payable, which are unsecured, interest free and payables in two (2) years.

(c) Amounts owing to a related party represent advances and payment on behalf, which are unsecured, interest free and payables in two (2) to three (3) years.

**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**

	Consolidated 30 Jun 2015	31 Dec 2014
	MYR	MYR
302,079,056 (2014: 300,317,550) Ordinary shares	11,767,731	8,967,041

**Ordinary shares**

	Consolidated 30 Jun 2015	31 Dec 2014
	No.	No.
At the beginning of the period	300,317,550	4,132,000
Shares issued during the period	1,761,506	3,154,462
Recognition of shares in accordance with the requirements of reverse acquisition accounting	-	293,031,088
At the end of the reporting period	<u>302,079,056</u>	<u>300,317,550</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,

**AdvanceTC Limited**  
ACN 600 238 444

**Notes to the Financial Statements**  
**30 June 2015**

**Note 9. Contingent liabilities**

In the opinion of the Directors, the Company did not have any 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 company to meet its obligations and realize its assets in the ordinary course of business.

**AdvanceTC Limited**  
ACN 600 238 444

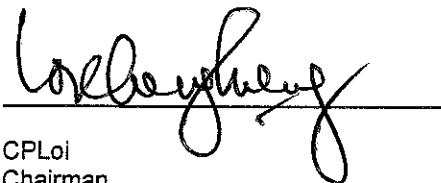
**Directors' Declaration**  
**30 June 2015**

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 2015 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 'CPLoi', is written over a horizontal line.

CPLoi  
Chairman

8 September, 2015

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of AdvanceTC Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AdvanceTC Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AdvanceTC Limited, 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 AdvanceTC Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

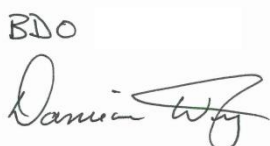
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AdvanceTC Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

## Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, and the successful development and subsequent commercialisation of the MAGICTM brand of high tech mobile wireless computing and telecommunications devices. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, including intangible assets of MYR10,693,968.

## BDO Audit Pty Ltd



**Damian Wright**  
Director

Brisbane, 8 September 2015