

# FORM: Preliminary final report

Name of issuer

ADVANCETC LIMITED

ACN or ARBN

ACN 600 238 444

Half yearly  
(tick)

Preliminary  
final (tick)

✓

Half year/financial year ended  
('Current period')

31 December 2016

## Chairman's report/business review section

The past twelve months has been a period of development and intense research activity by our R&D division. Our focus has been on investing in the development of advanced computerized technology for our ANDROID BASED SMART PHONE and motor vehicles, positioning the Company to capitalise on the rapid movement towards autonomous drive vehicles worldwide.

Whilst research is a never-ending quest the development side has not been overlooked, with the completion this year of the development for the second generation ANDROID BASED SMART PHONE product. We anticipate pre production and mass production and commercialization early in the second half of this year.

The fact that we have concentrated our efforts towards new technology is reflected in a temporary decline in revenues. Sales for the 12 month ending 31 December 2016 were RM 5,863,055 which represented a drop of 48% on the previous period. The sales revenues were contributed mainly by existing recurring software contract income, which will be ramped up this year, and hardware sales.

A major event during the year was the granting of a PATENT for 'an innovative mobile wireless communication technology' by the Malaysian Government. Further worldwide patents are being sought in view of this successful application. The grant of patent is not only a valuable income-producing asset by way of implementation and royalties, it may also be used as collateral by banking institutions.

This patented technology has enabled us to bid for significant contracts from a major international automobile company to provide cutting edge INFOTAINMENT products for their motor vehicles, which are marketed globally.

We have successfully restructured operations and we can look forward to positive results for the new year from our four income producing business units (Software, Mobile Smartphone, Automotive Infotainment and Contract Servicing).

The future is extremely bright for your Company and with full confidence we move into the 2017 financial year believing that this will be the Company's most successful year.

# For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

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				MYR,000
Revenue (item 1.1)	up/down	(48%)	to	5,863
Profit (loss) for the period (item 1.9)	up/down	(100%)	to	(3,872)
Profit (loss) for the period attributable to members of the parent (item 1.11)	up/down	(100%)	to	(2,595)
<b>Dividends</b>	Current period		Previous corresponding period	
Franking rate applicable:	N/A		N/A	
<b>Final dividend</b> (preliminary final report only)(item 10.13-10.14)	N/A		N/A	
Amount per security				
Franked amount per security				
<b>Interim dividend</b> (Half yearly report only)(item 10.11 – 10.12)	N/A		N/A	
Amount per security				
Franked amount per security				
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
N/A				

## Consolidated income statement *(The figures are not equity accounted)*

*(see note 3)*

*(as per paragraphs 81-85 and 88-94 of AASB 101: Presentation of Financial Statements)*

	Current period - MYR'000	Previous corresponding period - MYR'000
1.1 Revenues <i>(item 7.1)</i>	5,863	11,306
1.2 Expenses, excluding finance costs <i>(item 7.2)</i>	(9,702)	(11,132)
1.3 Finance costs	(33)	(21)
1.4 Share of net profits (losses) of associates and joint ventures <i>(item 15.7)</i>	-	-
<b>1.5 Profit (loss) before income tax</b>	<b>(3,872)</b>	<b>153</b>
1.6 Income tax expense <i>(see note 4)</i>	-	(359)
1.7 Profit (loss) from continuing operations	-	-
1.8 Profit (loss) from discontinued operations <i>(item 13.3)</i>	-	-
<b>1.9 Profit (loss) for the period</b>	<b>(3,872)</b>	<b>(206)</b>
1.10 Profit (loss) attributable to minority interests	(1,277)	122
<b>1.11 Profit (loss) attributable to members of the parent</b>	<b>(2,595)</b>	<b>(328)</b>
1.12 Basic earnings per security <i>(item 9.1)</i>	(1.12) cents	(0.06) cents
1.13 Diluted earnings per security <i>(item 9.1)</i>	(1.12) cents	(0.06) cents
1.14 Dividends per security <i>(item 9.1)</i>	-	-

## Comparison of half-year profits

*(Preliminary final statement only)*

	Current period - MYR'000	Previous corresponding period -MYR'000
2.1 Consolidated profit (loss) after tax attributable to members reported for the 1st half year <i>(item 1.11 in the half yearly statement)</i>	(2,773)	(3,044)
2.2 Consolidated profit (loss) after tax attributable to members for the 2nd half year	178	2,716

The effects of the reverse acquisition accounting in accordance with the principles of AASB 3, it has been determined impracticable to produce meaningful half year results.

# Consolidated balance sheet

(See note 5)

(as per paragraphs 68-69 of AASB 101: Financial Statement Presentation)

Current assets		Current period - MYR'000	Previous corresponding period MYR'000
3.1	Cash and cash equivalents	59	110
3.2	Trade and other receivables	6,644	8,488
3.3	Inventories	-	125
3.4	Other current assets (provide details if material)	-	-
3.5	<b>Total current assets</b>	<b>6,703</b>	<b>8,723</b>
<b>Non-current assets</b>			
3.6	Available for sale investments	-	-
3.7	Other financial assets	-	-
3.8	Investments in associates	-	-
3.9	Deferred tax assets	-	-
3.10	Exploration and evaluation expenditure capitalised (see para. 71 of AASB 1022 – new standard not yet finalised)	-	-
3.11	Development properties (mining entities)	-	-
3.12	Property, plant and equipment (net)	29	46
3.13	Investment properties	-	-
3.14	Goodwill	-	-
3.15	Other intangible assets	3,358	8,414
3.16	Other (provide details if material)	-	-
3.17	<b>Total non-current assets</b>	<b>3,387</b>	<b>8,460</b>
3.18	<b>Total assets</b>	<b>10,090</b>	<b>17,183</b>
<b>Current liabilities</b>			
3.19	Trade and other payables	924	1,222
3.20	Short term borrowings	91	652
3.21	Current tax payable	359	359
3.22	Short term provisions	-	-
3.23	Current portion of long term borrowings	-	-
3.24	Other current liabilities (provide details if material) Deferred Income	25	25
		1,399	2,258
3.25	Liabilities directly associated with non-current assets classified as held for sale (para 38 of AASB 5)	-	-
3.26	<b>Total current liabilities</b>	<b>1,399</b>	<b>2,258</b>
<b>Non-current liabilities</b>			
3.27	Long-term borrowings	109	154
3.28	Deferred tax liabilities	62	86
3.29	Long term provisions	-	-
3.30	Other (provide details if material)	1,843	4,135
3.31	<b>Total non-current liabilities</b>	<b>2,014</b>	<b>4,375</b>
3.32	<b>Total liabilities</b>	<b>3,413</b>	<b>6,633</b>
3.33	<b>Net assets</b>	<b>6,677</b>	<b>10,550</b>
<b>Equity</b>			
3.34	Share capital	14,165	14,165
3.35	Other reserves	2,811	2,811
3.36	Retained earnings	(10,934)	(7,471)
3.37	<b>Parent interest</b>	<b>6,042</b>	<b>9,505</b>
3.38	<b>Minority interest</b>	<b>635</b>	<b>1,045</b>
3.39	<b>Total equity</b>	<b>6,677</b>	<b>10,550</b>

## Consolidated statement of changes in equity

(as per paragraphs 96-97 of AASB 101: Presentation of Financial Statements)

	Current period – MYR'000	Previous corresponding period – MYR'000
Revenues recognised directly in equity:	-	-
Expenses recognised directly in equity:	-	-
4.1 Net income recognised directly in equity	-	-
4.2 Profit for the period	(3,872)	(206)
4.3 Total recognised income and expense for the period	(3,872)	(206)
Attributable to:		
4.4 Members of the parent	(2,595)	(328)
4.5 Minority interest	(1,277)	122
Effect of changes in accounting policy (as per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors):		
4.6 Members of the parent entity	-	-
4.7 Minority interest	-	-

# **Consolidated statement of cash flows**

(See note 6)

(as per AASB 107: Cash Flow Statements)

		Current period - MYR'000	Previous corresponding period - MYR'000
	<b>Cash flows related to operating activities</b>		
5.1	Receipts from customers	7,706	3,146
5.2	Payments to suppliers and employees	(4,315)	(6,082)
5.3	Interest and other costs of finance paid	(33)	(21)
5.4	Income taxes paid	-	-
5.5	Other (provide details if material)	(2,815)	(1,945)
5.6	<b>Net cash used in operating activities</b>	<b>543</b>	<b>(4,902)</b>
	<b>Cash flows related to investing activities</b>		
5.7	Payments for purchases of property, plant and equipment and development expenditure	-	(2)
5.8	Proceeds from disposal of intangible assets	-	-
5.9	Payment for purchases of equity investments	-	-
5.10	Proceeds from sale of equity investments	-	-
5.11	Loans to / from other entities	-	-
5.12	Loans repaid by other entities	-	-
5.13	Interest and other items of similar nature received/ paid	-	-
5.14	Dividends received	-	-
5.15	Other (provide details if material)	(15)	(2)
	Purchase of intangible asset		
5.16	<b>Net cash from /(used in) investing activities</b>	<b>(15)</b>	<b>(4)</b>
	<b>Cash flows related to financing activities</b>		
5.17	Proceeds from issues of securities (shares, options, etc.)	-	5,197
5.18	Proceeds from borrowings	(579)	(342)
5.19	Repayment of borrowings	-	(14)
5.20	Dividends paid	-	-
5.21	Other (provide details if material)	-	-
5.22	<b>Net cash from financing activities</b>	<b>(579)</b>	<b>4,841</b>
	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(51)</b>	<b>(66)</b>
5.23	Cash at beginning of period (see Reconciliations of cash)	110	175
5.24	Exchange rate adjustments to item 5.23	-	-
5.25	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>59</b>	<b>110</b>

## Reconciliation of cash provided by operating activities to profit or loss

(as per paragraph Aus20.1 of AASB 107: Cash Flow Statements)

	Current period MYR'000	Previous corresponding period MYR'000
6.1 <b>Profit/(loss)</b> <i>(item 1.9)</i>	<b>(3,872)</b>	<b>153</b>
Adjustments for:		
6.2 Depreciation	29	45
6.3 Plant and equipment written off	-	-
6.4 Development costs written off	-	-
6.5 Amortisation	2,859	2,371
6.6 Impairment of trade receivable	-	2
6.7 Impairment of intangible assets	2,200	2,200
6.8 Utilisation of government grant	-	-
6.9 Fair value, loss/(gain) on non current payable	(426)	69
6.10 Offset purchase if rights	-	-
6.11 Interest expense	(27)	21
6.12 Gain on disposal of intangible asset	-	(320)
6.13 Inventories written off	1	60
6.14 Increase/(decrease) in receipts from customers	1,843	(8,163)
6.15 (Increase)/decrease in payments to suppliers and employees	(2,214)	(1,723)
6.16 (Increase)/decrease in interest and other costs of finance paid	27	(21)
6.17 Increase/decrease in inventories	123	404
6.18 Increase/decrease in	-	-
6.19 <b>Net cash used in operating activities</b> <i>(item 5.6)</i>	<b>543</b>	<b>(4,902)</b>

## Notes to the financial statements

### Details of revenues and expenses

(see note 16)

(Where items of income and expense are material, disclose nature and amount below in accordance with paragraphs 86-87 of AASB 101: Presentation of Financial Statements)

	Current period - MYR'000	Previous corresponding period - MYR'000
Revenue	5,818	10,924
Other operating income	45	381
<b>7.1 Total Revenue</b>	<b>5,863</b>	<b>11,306</b>
Cost of sales	(1,406)	(3,617)
Administrative expenses	(3,234)	(3,562)
Other costs	(5,062)	(3,953)
<b>7.2 Total Expenses</b>	<b>(9,702)</b>	<b>(11,132)</b>
<b>7.3 Finance costs</b>	<b>(33)</b>	<b>(21)</b>
<b>Profit (loss) before tax</b>	<b>(3,872)</b>	<b>153</b>

### Ratios

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
8.1 Consolidated profit (loss) before tax (item 1.5) as a percentage of revenue (item 1.1)	<b>-66%</b>	<b>1%</b>
<b>Profit after tax / equity interests</b>		
8.2 Consolidated profit (loss) after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 3.37)	<b>-43%</b>	<b>2%</b>



## Earnings per Security

- 9.1 Provide details of basic and fully diluted EPS in accordance with paragraph 70 and Aus 70.1 of AASB 133: Earnings per Share below:

### Current Period

Loss for the period: MYR 3,872,407

Weighted average number of shares on issue: 345,365,182

### Previous corresponding period

Loss for the period: MYR 206,546

Weighted average number of shares on issue: 345,365,182 (representing conversion of legal subsidiary, AdvanceTC Sdn Bhd's capital of 8,967,041 in accordance with the principles of reverse acquisition per AASB 3)

## Dividends

- 10.1 Date the dividend is payable

N/A

- 10.2 Record date to determine entitlements to the dividend (i.e. on the basis of registrable transfers received up to 5.00 pm if paper based, or by 'End of Day' if a proper ASTC/CHESS transfer)

N/A

- 10.3 If it is a final dividend, has it been declared?

(Preliminary final report only)

- 10.4 The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices to the dividend or distribution plans

N/A

- 10.5 Any other disclosures in relation to dividends or distributions

N/A

## Dividends paid or provided for on all securities

(as per paragraph Aus126.4 AASB 101: Presentation of Financial Statements)

		Current period - MYR'000	Previous corresponding period - MYR'000	Franking rate applicable
	<b>Dividends paid or provided for during the reporting period</b>			
10.6	Current year interim	N/A	N/A	
10.7	Franked dividends	N/A	N/A	
10.8	Previous year final	N/A	N/A	
10.9	Franked dividends	N/A	N/A	
	<b>Dividends proposed and not recognised as a liability</b>			
10.10	Franked dividends	N/A		

## Dividends per security

(as per paragraph Aus126.4 of AASB 101: Presentation of Financial Statements)

		Current year	Previous year	Franking rate applicable
	<b>Dividends paid or provided for during the reporting period</b>			
10.11	Current year interim	N/A	N/A	
10.12	Franked dividends – cents per share	N/A	N/A	
10.13	Previous year final	N/A	N/A	
10.14	Franked dividends – cents per share	N/A	N/A	
	<b>Dividends proposed and not recognised as a liability</b>			
10.15	Franked dividends – cents per share	N/A	N/A	

### Exploration and evaluation expenditure capitalised

*To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

	Current period MYR'000	Previous corresponding period MYR'000
11.1 Opening balance	N/A	N/A
11.2 Expenditure incurred during current period	N/A	N/A
11.3 Expenditure written off during current period	N/A	N/A
11.4 Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
11.5 Expenditure transferred to Development Properties	N/A	N/A
11.6 <b>Closing balance as shown in the consolidated balance sheet (item 3.10)</b>	N/A	N/A

### Development properties

*(To be completed only by issuers with mining interests if amounts are material)*

	Current period MYR'000	Previous corresponding period MYR'000
12.1 Opening balance	N/A	N/A
12.2 Expenditure incurred during current period	N/A	N/A
12.3 Expenditure transferred from exploration and evaluation	N/A	N/A
12.4 Expenditure written off during current period	N/A	N/A
12.5 Acquisitions, disposals, revaluation increments, etc.	N/A	N/A
12.6 Expenditure transferred to mine properties	N/A	N/A
12.7 <b>Closing balance as shown in the consolidated balance sheet (item 3.11)</b>	N/A	N/A

### Discontinued Operations

*(see note 18)*

*(as per paragraph 33 of AASB 5: Non-current Assets Held for Sale and Discontinued Operations)*

	Current period – MYR'000	Previous corresponding period – MYR'000
13.1 Revenue	N/A	N/A
13.2 Expense	N/A	N/A
13.3 <b>Profit (loss) from discontinued operations before income tax</b>	N/A	N/A
13.4 Income tax expense <i>(as per para 81 (h) of AASB 112)</i>	N/A	N/A
13.5 <b>Gain (loss) on sale/disposal of discontinued operations</b>	N/A	N/A
13.6 Income tax expense <i>(as per paragraph 81(h) of AASB 112)</i>	N/A	N/A

## Movements in Equity

(as per paragraph 97 of AASB 101: Financial Statement Presentation)

	Number issued	Number listed	Paid- up value (MYR)	Current period – MYR'000	Previous corresponding period – MYR'000
<b>14.1 Preference securities</b> <i>(description)</i>					
14.2 Balance at start of period					
14.3 a) Increases through issues					
14.4 a) Decreases through returns of capital, buybacks etc.					
14.5 Balance at end of period					
<b>14.6 Ordinary securities</b>					
14.7 Balance at start of period	345,365,182	150,184,176		16,975	16,975
14.8 a) Increases of new shares	-	-		-	-
14.9 b) Decreases through returns of capital, buybacks etc.					
14.10 Balance at end of period	345,365,182	150,184,176		16,975	16,975
<b>14.11 Convertible Debt Securities</b> <i>(description &amp; conversion factor)</i>					
14.12 Balance at start of period					
14.13 a) Increases through issues					
14.14 b) Decreases through maturity, converted.					
14.15 Balance at end of period					

		Number issued	Number listed	Paid- up value (cents)	Current period – MYR'000	Previous corresponding period – MYR'000
14.16	<b>Options</b> <i>(description &amp; conversion factor)</i>					
14.17	Balance at start of period					
14.18	Issued during period					
14.19	Exercised during period					
14.20	Expired during period					
14.21	Balance at end of period					
14.22	<b>Debentures</b> <i>(description)</i>					
14.23	Balance at start of period					
14.24	a) Increases through issues					
14.25	b) Decreases through maturity, converted					
14.26	Balance at end of period					
14.27	<b>Unsecured Notes</b> <i>(description)</i>					
14.28	Balance at start of period					
14.29	a) Increases through issues					
14.30	b) Decreases through maturity, converted					
14.31	Balance at end of period					
14.32	<b>Total Securities</b>	<b>345,365,182</b>	<b>150,184,176</b>		<b>16,975</b>	<b>16,975</b>

	Current period – MYR'000	Previous corresponding period – MYR'000
<b>Reserves</b>		
14.33 Balance at start of period		
14.34 Transfers to/from reserves		
14.35 Total for the period		
14.36 Balance at end of period		
14.37 <b>Total reserves</b>		
<b>Retained earnings</b>		
14.38 <b>Balance at start of period</b>	(7,471)	(7,142)
14.39 Changes in accounting policy		
14.40 Restated balance		
14.41 Profit for the balance	(3,463)	(330)
14.42 Total for the period	-	-
14.43 Reclassification of equity	-	-
14.44 Dividends		
14.45 <b>Balance at end of period</b>	(10,934)	(7,471)

## Details of aggregate share of profits (losses) of associates and joint venture entities

(equity method)

(as per paragraph Aus 37.1 of AASB 128: Investments in Associates and paragraph Aus 57.3 of AASB 131: Interests in Joint Ventures)

Name of associate or joint venture entity

N/A

Reporting entities percentage holding

-

		Current period - MYR'000	Previous corresponding period - MYR'000
15.1	Profit (loss) before income tax		
15.2	Income tax	-	-
15.3	<b>Profit (loss) after tax</b>		
15.4	Impairment losses	-	-
15.5	Reversals of impairment losses	-	-
15.6	Share of non-capital expenditure contracted for (excluding the supply of inventories)	-	-
15.7	<b>Share of net profit (loss) of associates and joint venture entities</b>	-	-

## Control gained over entities having material effect

(See note 8)

16.1 Name of *issuer* (or *group*)

-

16.2 Consolidated profit (loss) after tax of the *issuer* (or *group*) since  
the date in the current period on which control was acquired

MYR'000

-

16.3 Date from which profit (loss) in *item 16.2* has been calculated

-

16.4 Profit (loss) after tax of the *issuer* (or *group*) for the whole of the  
previous corresponding period

-

**Loss of control of entities having material effect**

(See note 8)

17.1	Name of issuer (or group)	N/A
		MYR'000
17.2	Consolidated profit (loss) after tax of the entity (or group) for the current period to the date of loss of control	N/A
17.3	Date from which the profit (loss) in item 17.2 has been calculated	N/A
17.4	Consolidated profit (loss) after tax of the entity (or group) while controlled during the whole of the previous corresponding period	N/A
17.5	Contribution to consolidated profit (loss) from sale of interest leading to loss of control	N/A

**Material interests in entities which are not controlled entities**

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period or date of disposal		Contribution to profit (loss)(item 1.9)	
18.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period MYR'000	Previous corresponding period MYR'000
		N/A	N/A	Equity accounted	
				N/A	N/A
18.2	Total	N/A	N/A	N/A	N/A
18.3	Other material interests	N/A	N/A	Non equity accounted (i.e. part of item 1.9)	
				N/A	N/A
18.4	Total	N/A	N/A	N/A	N/A



## Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 114: Segment Reporting. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 114 and indicates which amount should agree with items included elsewhere in this statement.

**Note:** The Group operates in one segment being High Technology products and services, and in one significant geographical region, being Malaysia / Asia.

		Current period - MYR'000	Previous corresponding period - MYR'000
<b>Segments</b>			
Revenue:		5,863	11,306
19.1	External sales		
19.2	Inter-segment sales		
19.3	<b>Total</b> (consolidated total equal to item 1.1)	<b>5,863</b>	<b>11,306</b>
19.4	Segment result	(9,702)	(11,132)
19.5	Unallocated expenses	-	-
19.6	<b>Operating profit</b> (equal to item 1.5)	<b>(3,839)</b>	<b>174</b>
19.7	Interest expense	(33)	(21)
19.8	Interest income	-	-
19.9	Share of profits of associates	-	-
19.10	Income tax expense	-	(359)
19.11	<b>Net profit</b> (consolidated total equal to item 1.9)	<b>(3,872)</b>	<b>(206)</b>
<b>Other information</b>			
19.12	Segment assets	10,090	17,182
19.13	Investments in equity method associates		
19.14	Unallocated assets		
19.15	<b>Total assets</b> (equal to item 3.18)	<b>10,090</b>	<b>17,182</b>
19.16	Segment liabilities	3,413	6,633
19.17	Unallocated liabilities		
19.18	<b>Total liabilities</b> (equal to item 3.32)	<b>3,413</b>	<b>6,633</b>
19.19	Capital expenditure		
19.20	Depreciation	29	45
19.21	Other non-cash expenses		

## NTA Backing

(see note 7)

20.1	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.019	0.031

## Non-cash financing and investing activities

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

21.1	N/A
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## International Financial Reporting Standards

*Under paragraph 39 of AASB 1: First –time Adoption of Australian Equivalents to International Financial Reporting Standards, an entity's first Australian-equivalents-to-IFRS's financial report shall include reconciliations of its equity and profit or loss under previous GAAP to its equity and profit or loss under Australian equivalents to IFRS's. See IG63 in the appendix to AASB 1 for guidance.*

22.1	N/A
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*Under paragraph 4.2 of AASB 1047: Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an entity must disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the Australian equivalents to IFRSs or if the aforementioned impacts are not known or reliably estimable, a statement to that effect.*

22.2	N/A
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**Comments by directors**

*Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 134: Interim Financial Reporting. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) but may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.*

**Basis of accounts preparation**

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accruals basis and is based on historical costs.

The financial report is presented in Malaysian Ringgits (MYR).

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Significant accounting policies adopted in the preparation of these financial report are presented below and are consistent with prior reporting periods, unless otherwise stated. (as per paragraphs 16(b), 16(b) and Aus16.1 of AASB 134: Interim Financial Reporting)

N/A

Any other factors which have affected the results in the period, or which are likely to affect results in the future, including those where the effect could not be quantified.

1. Expected Trade Financing from the bank for USD11.0 Million
2. Potential Sales Contracts for 17,000 units of Magic X6L for the FY2017

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

N/A

Changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 16(a) of AASB 134: Interim Financial Reporting. Disclose changes in the preliminary final statement in accordance with paragraphs 28-29 of 108: Accounting Policies, Changes in Accounting Estimates and Errors.)*

No Changes other than the implications of the reverse acquisition accounting as already disclosed.

An issuer shall explain how the transition from previous GAAP to Australian equivalents to IFRS' affected its reported financial position, financial performance and cash flows. *(as per paragraph 38 of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards)*

N/A

Revisions in estimates of amounts reported in previous periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year *(as per paragraph 16(d) of AASB 134: Interim Financial Reporting)*

N/A other than the implications of the reverse acquisition disclosures already noted in the Corporate Overview and Basis of Preparation sections of the Preliminary Final Report.

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report *(as per paragraph 16(j) of AASB 134: Interim Financial Reporting)*

No changes

The nature and amount of items affecting assets, liabilities, equity, profit or loss, or cash flows that are unusual because of their nature, size or incidence *(as per paragraph 16(c) of AASB 134: Interim Financial Reporting)*

N/A other than the implications of the reverse acquisition disclosures already noted in the Corporate Overview and Basis of Preparation sections of the Preliminary Final Report.

Effect of changes in the composition of the entity during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations *(as per paragraph 16(i) of AASB 134: Interim Financial Reporting)*

No changes

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Kuala Lumpur, Malaysia

Date

March 15, 2017

Time

10:30 am

Approximate date the annual report will be available

April 25, 2017

**Compliance statement**

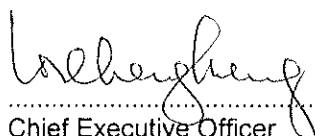
1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

IFRS / MFRS

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:
- |  |   |
|--|---|
| <input type="checkbox"/> The financial statements have been audited.   | <input type="checkbox"/> The financial statements have been subject to review by a registered auditor (or overseas equivalent). |
| <input checked="" type="checkbox"/> The financial statements are in the process of being audited or subject to review. | <input type="checkbox"/> The financial statements have <i>not</i> yet been audited or reviewed.                                 |
5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications ~~are attached~~/will follow immediately they are available\* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Act.*)
6. The issuer has/~~does not~~\* (*delete one*) a formally constituted audit committee.

Sign here:

  
Chief Executive Officer

Date:

15 MAR 2017

(Director/~~Company secretary~~)Print name: Loi Cheng Pheng