

Appendix 4D
Half-Year Report

1. Company details

Name of entity:	AdvanceTC Limited
ACN:	600 238 444
Reporting period:	For the half-year ended 30 June 2017
Previous period:	For the half-year ended 30 June 2016

2. Corporate Overview

Our year to date sales revenues are MYR2,330,000. Due to production and shipment delays, we have not been able to achieve the forecast sales for our products. We anticipate that, once our existing shipments are fulfilled, the performance will return us to profitability by year end.

We are looking for sustained profit performance for the full year of 2017. At which time:

- We hope to show the full impact of our mass production and commercial shipment for our new upgraded magic X6 product.
- We will also be able to showcase the sales and income impact from our new innovation Android smart phone which we expect to start commercial shipment by October.

The key to achieving the above which we will focus our efforts this year will be:

- Complete our strategic business partnership with an Australian based business advisory group who will place large smart phone orders to us.
- Focus to develop our community marketing and stockist sales program with key bulk users (universities/cooperatives/private colleges).
- Complete our key product differentiation features such as technical support application and community mass users support application.
- Secure the support of a local commercial Bank for LC/TR bank facility support to enable us to support our mass production and export program.
- With the above resources support we will focus and develop our main export markets in Europe and Asia.

We will work hard. We aim to achieve self sustaining growth for the company by 2017.

For announcement to the market

Extracts from this statement for announcement to the market

				MYR
Revenue	up /down	(30%)	to	2,330,000
Profit (loss) for the period	up /down	21%	to	(3,905,354)
Profit (loss) for the period attributable to members of the parent	up /down	23%	to	(3,421,690)
Dividends	Current period		Previous corresponding period	
Franking rate applicable:	N/A		N/A	

Appendix 4D
Half-Year Report

3. Audit qualification or review

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

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

4. Attachments

Details of attachments (if any):

The Interim Report of AdvanceTC Limited for the half-year ended 30 June 2017 is attached.

5. Signed

Signed



Cheng Pheng LOI
Chairman

13th September 2017

AdvanceTC Limited

ACN 600 238 444

Interim Report – for the period ended 30 June 2017

Directors' Report
30 June 2017

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 2017.

Directors

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

Cheng Pheng LOI
Gim Keong LEE
Jonathan Yeow Koon LOI
Chee Tuck CHO
Chee Seng CHO (re-appointed 4 January 2017)
William Keng Yaw TAN

Principal activities

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

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

Review of operations

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

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

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

Significant changes in the state of affairs

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

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 'Lo Cheng Pheng', is written over a horizontal line.

Cheng Pheng LOI
Chairman

13th September 2017

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

As lead auditor for the review of AdvanceTC Limited for the half-year ended 30 June 2017, 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.



R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 13 September 2017

AdvanceTC Limited

ACN 600 238 444

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30 June 2017

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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 AdvanceTC Limited's functional and presentation currency.

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

Registered office

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

Principal place of business

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13th September 2017.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Half-Year Ended 30 June 2017**

	Note	30 Jun 2017 MYR	30 Jun 2016 MYR
Revenue	3	2,330,000	3,317,979
Other income	3	12,372	12,351
Cost of goods sold		(1,575,993)	(1,315,744)
Employee benefits expense		(479,497)	(680,746)
Depreciation and amortisation expense		(1,507,014)	(1,452,349)
Business development costs		(1,894,294)	-
Other expenses		(787,913)	(2,850,973)
Finance costs		(3,015)	(27,112)
Loss for the half-year	4	(3,905,354)	(2,996,594)
Income tax expense		-	(218,440)
Loss for the half-year		(3,905,354)	(3,215,034)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(3,905,354)	(3,215,034)
Loss attributable to:			
Members of the parent entity		(3,421,690)	(2,772,936)
Non-controlling interest		(483,664)	(442,098)
		(3,905,354)	(3,215,034)
Total comprehensive income attributable to:			
Members of the parent entity		(3,421,690)	(2,772,936)
Non-controlling interest		(483,664)	(442,098)
		(3,905,354)	(3,215,034)
Earnings per share attributable to members of the parent entity		Cents	Cents
Profit continuing operation			
Basic earnings per share (cents per share)	5	(1.0)	(0.8)
Diluted earnings per share (cents per share)	5	(1.0)	(0.8)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position
As At 30 June 2017

	Note	30 Jun 2017 MYR	31 Dec 2016 MYR
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		244,156	59,348
Trade and other receivables		3,989,569	6,644,196
Inventories		509,180	-
TOTAL CURRENT ASSETS		4,742,905	6,703,544
NON-CURRENT ASSETS			
Property, plant and equipment		24,332	28,970
Intangible assets	6	2,324,293	3,358,048
TOTAL NON-CURRENT ASSETS		2,348,625	3,387,018
TOTAL ASSETS		7,091,530	10,090,562
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	4,170,138	2,046,170
Deferred income		74,100	37,200
Borrowings		21,876	91,492
Income tax provision		978,433	978,433
TOTAL CURRENT LIABILITIES		5,244,547	3,153,295
NON-CURRENT LIABILITIES			
Trade and other payables	7	-	1,030,037
Deferred income		-	99,250
Borrowings		53,315	108,958
TOTAL NON-CURRENT LIABILITIES		53,315	1,238,245
TOTAL LIABILITIES		5,297,862	4,391,540
NET ASSETS		1,793,668	5,699,022
EQUITY			
Issued capital	8	14,164,707	14,164,707
Other contributed equity		2,810,654	2,810,654
Retained profits		(15,208,531)	(11,786,841)
Total equity attributable to equity holders of the Company		1,766,830	5,188,520
Non-controlling interest		26,838	510,502
TOTAL EQUITY		1,793,668	5,699,022

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

**Consolidated Statement of Changes In Equity
For the half-year ended 30 June 2017**

	Ordinary Shares MYR	Retained Earnings MYR	Other Contributed Equity MYR	Attributable to owners of AdvanceTC Limited MYR	Non- Controlling Interests MYR	Total MYR
Balance at 1 January 2016	14,164,707	(7,471,093)	2,810,654	9,504,268	1,044,899	10,549,167
Profit attributable to members of the parent entity	-	(2,772,936)		(2,772,936)	-	(2,772,936)
Profit attributable to non-controlling interest	-	-		-	(442,098)	(442,098)
Total comprehensive income for the half-year	-	(2,772,936)		(2,772,936)	(442,098)	(3,215,034)
Share Issued during the period	-	-		-	-	-
Other Contribution of equity	-	-		-	-	-
Balance at 30 June 2016	14,164,707	(10,244,029)	2,810,654	6,731,332	602,801	7,334,133

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

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

Consolidated Statement of Cash Flows
For the half-year ended 30 June 2017

	Note	30 Jun 2017 MYR	30 Jun 2016 MYR
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) before taxation		(3,905,354)	(2,996,594)
Adjustments for:			
Depreciation		4,638	22,956
Amortisation		1,502,375	1,429,393
Impairment of development cost		-	1,100,000
Interest expense		3,015	27,112
Fair value loss on non-current payables		-	645,526
Cash generated from operations		(2,395,324)	228,393
Adjustments for:			
(Increase)/decrease in trade and other receivables		2,654,627	3,406,503
(Increase)/decrease in inventories		(509,180)	33,845
Increase/(decrease) in trade and other payables		983,348	(3,124,746)
Cash flows from used/(used in) operating activities		733,471	543,995
Interest paid		(3,015)	(27,112)
Net cash flows from used/(used in) operating activities		730,456	516,883
CASH FLOWS FROM INVESTING ACTIVITIES:			
Development expenditure incurred		(468,620)	(2,816)
Purchase of property, plant and equipment		-	(12,249)
Net cash flows from used/(used in) investing activities		(468,620)	(15,065)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of term loan		(67,184)	(569,653)
Repayment of finance lease liabilities		(9,844)	(10,938)
Repayment to director and shareholder		-	(19,612)
Net cash flows from used/(used in) investing activities		(77,028)	(600,203)
Net (decrease)/increase in cash and cash equivalents		184,808	(98,385)
Cash and cash equivalents at beginning of financial period		59,348	110,358
Cash and cash equivalents at end of financial period		244,156	11,973

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

Notes to the Financial Statements
30 June 2017

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2017 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 2016 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.

Key judgements

Consolidation of AdvanceTC Cilicon SAS

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

Going concern

During the period ended 30 June 2017 the Group has generated losses after income tax for the year of MYR 3,905,354, has net current liabilities of MYR 501,642 and cash and cash equivalents as at 30 June 2017 totaled MYR 244,156.

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

1. Continued successful sales of Magic Smartphone, and proprietary community software application;
2. Timely collection of receivables from two major customers amounting to MYR 584,200 and MYR 2,622,713 respectively; and
3. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure require for the Company to continue to develop the next generation of integrated mobile communication devices and to meet the Company's working capital requirements.

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

Notes to the financial statements
30 June 2017

Note 1. Significant accounting policies (continued)

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

1. Certain related parties creditors totalling MYR 1,285,650, have given written assurance that they will not call for the payment of amounts owing until such time as the Company is in a position to pay same from the proceeds of a capital raising, or from its own operating cash flow. These creditors have agreed to deferred settlement plans for various dates in 2018; and
2. The Company is currently pursuing capital raising plans to be implemented in the ensuing period, and which may include conversion of the current indebtedness to Directors and related parties.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

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

Note 2. Operating segments

Identification of reportable operating segments

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

Accordingly, management currently identified the Group as having only one reportable segment, being the design development and commercialisation 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.

Note 3. Revenue and Other Income

	30 Jun 2017	30 Jun 2016
	MYR	MYR
Revenue from continuing operations		
<i>Sales revenue</i>		
- sale of goods	<u>2,330,000</u>	<u>3,317,979</u>
Total Revenue	<u>2,330,000</u>	<u>3,317,979</u>
Other income		
Other income	<u>12,372</u>	<u>12,351</u>
Total Other Income	<u>12,372</u>	<u>12,351</u>

Notes to the financial statements
30 June 2017

Note 4. Expenses

	30 Jun 2017	30 Jun 2016
	MYR	MYR
Profit before income tax includes the following specific expenses:		
Impairment of development costs	-	1,100,000
Business development costs ¹	<u>1,894,294</u>	<u>-</u>
Research and development expenses	<u>44,190</u>	<u>414,938</u>
Sales Commission	<u>-</u>	<u>300,000</u>
Fair value adjustment on non-current payable	<u>-</u>	<u>645,525</u>
<i>Rental expense on operating leases</i>		
Office lease payments	<u>53,660</u>	<u>31,500</u>

¹ During the year, the Company invested MYR 1,894,294 in the concept design, plans and approval process for a production facility to be opened in Malaysia. This project, if completed, would represent a strategic move required to ensure that the Company's intellectual property is protected and improve responsiveness to product design changes by having facilities locally that can be more flexible. While the directors view this as a positive investment in the securing the Company's future, the directors do not believe the project is sufficiently advanced to warrant capitalisation of these costs and have expensed them to profit or loss as incurred.

Note 5. Earnings per Share

(a) Earnings used to calculate overall earnings per share

	30 Jun 2017	30 Jun 2016
	MYR	MYR
Earnings used to calculate overall earnings per share	<u>(3,421,690)</u>	<u>(2,772,936)</u>

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

	30 Jun 2017	30 Jun 2016
	MYR	MYR
	No.	No.
Weighted average number ordinary shares outstanding during the year used during the year used in calculating basic EPS	<u>345,365,182</u>	<u>345,365,182</u>

Notes to the Financial Statements
30 June 2016

Note 6. Intangible Assets

	30 Jun 2017 MYR	31 Dec 2016 MYR
Development cost		
At cost	9,241,567	8,772,947
Accumulated amortisation and impairment	(8,319,274)	(7,537,889)
Net carrying value	922,293	1,235,048
Rights		
At cost	7,210,000	7,210,000
Accumulated amortisation and impairment	(5,808,000)	(5,087,000)
Net carrying value	1,402,000	2,123,000
Total Intangibles	2,324,293	3,358,048

Movements in carrying amounts of intangible assets

	Rights MYR	Development costs MYR	Total MYR
Balance as at 1 January 2017			
Balance at the beginning of the period	2,123,000	1,235,048	3,358,048
Additions	-	468,620	468,620
Amortisation	(721,000)	(781,375)	(1,502,375)
Impairment	-	-	-
Closing value at 30 June 2017	1,402,000	922,293	2,324,293
Balance as at 1 January 2016			
Balance at the beginning of the period	3,565,000	4,849,018	8,414,018
Additions	-	2,816	2,816
Amortisation	(1,442,000)	(1,418,786)	(2,858,786)
Disposals	-	-	-
Impairment	-	(2,200,000)	(2,200,000)
Closing value at 31 December 2016	2,123,000	1,235,048	3,358,048

Note 7. Trade and other payables

	30 Jun 2017 MYR	31 Dec 2016 MYR
CURRENT		
Trade payables (a)	253,267	273,266
Related party payables (c)	1,239,335	-
Other payables (b)	2,677,536	1,772,904
	4,170,138	2,046,170

Notes to the Financial Statements
30 June 2017

Note 7. Trade and other payables (continued)

	30 Jun 2017	31 Dec 2016
	MYR	MYR
NON-CURRENT		
Related party payables (c)	-	-
Other payables (b)	-	1,030,037
	<u>-</u>	<u>1,030,037</u>
	<u>-</u>	<u>1,030,037</u>

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

	30 Jun 2017	31 Dec 2016
	MYR	MYR
Related party payables	-	-
Other payables	-	1,171,587
Fair value adjustment	-	(141,550)
	<u>-</u>	<u>(141,550)</u>
	<u>-</u>	<u>1,030,037</u>

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

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

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

Notes to the Financial Statements
30 June 2017

Note 8. Equity

Dividends

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

Capital

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

Ordinary shares

	Consolidated 30 Jun 2017 No.	31 Dec 2016 No.
At the beginning of the period	345,365,182	345,365,182
Shares issued during the period	-	-
At the end of the reporting period	<u>345,365,182</u>	<u>345,365,182</u>

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

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

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

Note 9. Contingent liabilities

In the opinion of the Directors, the Company did not have any contingent liabilities as at 30 June 2017 (2016: Nil).

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 realise its assets in the ordinary course of business.

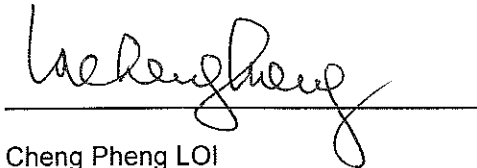
Directors' Declaration
30 June 2017

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 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

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

Cheng Pheng LOI
Chairman

13th September 2017

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 2017, 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 2017 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:

- (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the 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. Our conclusion is not modified in respect of this matter.

BDO Audit Pty Ltd



R M Swaby
Director

Brisbane, 13 September 2017