

## Appendix 4E

### Preliminary final report

*Rule 4.3A  
Introduced 1/1/2003*

**Name of entity:** **Advanced Braking Technology Ltd**

**ABN:** **66 099 107 623**

**1. Reporting period ("current period"):** **Year ended 30 June 2016**  
**Previous corresponding period:** **Year ended 30 June 2015**

**2. Results for announcement to the market**

|     |   |      |     |    | \$A'000                               |
|-----|---|------|-----|----|---------------------------------------|
| 2.1 | Revenue from ordinary activities                                  | down | 22% | to | 5,352                                 |
| 2.2 | (Loss) from ordinary activities after tax attributable to members | down | 36% | to | (1,758)                               |
| 2.3 | (Loss) for the period attributable to members                     | down | 36% | to | (1,758)                               |
|     |   |      |     |    | <b>Amount per share cents</b>         |
|     |   |      |     |    | <b>Franked amount per share cents</b> |
| 2.4 | <i>Dividends</i>  |      |     |    |                                       |
|     | Final   |      | Nil |    | N/A                                   |
|     | Interim   |      | Nil |    | N/A                                   |

Record date for determining entitlements to dividends: N/A

Brief explanation of figures in 2.1 to 2.4 (if necessary):

Throughout the year, ABT continued to transform through diversifying its products and broadening both its geographic and market reach, the full benefits of which should become evident in FY17 and beyond. However, the current slump in mining capital expenditure, widely acknowledged to be the worst in 20 years, has impacted on ABT's total revenue for FY16, which at \$5.35m, is down 22% from FY15. A net loss of \$1.76m was recorded which was a significant narrowing from the FY15 loss of \$2.76m. After a particularly difficult first half,

when most major clients severely curtailed their capital expenditure, encouragingly, demand picked up in the second half and looks set to grow in FY17.

Following the comprehensive cost reduction program in FY15, ABT made further cost savings of 7% in FY16 with costs totalling \$4.72m.

**3. Consolidated Statement of Profit and Loss and Other Comprehensive Income**

|  | <b>Current<br/>Period</b> | <b>Previous<br/>Correspond-<br/>ing period</b> |
|--|---------------------------|--|
|  | <b>\$'000</b>             | <b>\$'000</b>                                  |
| Revenue from trading activities                                      | 4,392                     | 5,860  |
| Cost of sales  | (2,392)                   | (2,832)  |
| <b>Gross Profit</b>  | <b>2,000</b>              | <b>3,028</b>                                   |
| <b>Revenue from other activities</b>                                 | <b>960</b>                | <b>1,038</b>                                   |
| <b>Expenses</b>  |                           |  |
| Amortisation of Intellectual Property                                | (199)                     | (199)  |
| Bad and doubtful debts   | (25)                      | (40)   |
| Computer related expenses  | (44)                      | (24)   |
| Consulting fees  | (165)                     | (229)  |
| Consumables and minor equipment                                      | (68)                      | (52)   |
| Depreciation expense   | (124)                     | (167)  |
| Employee expenses  | (2,470)                   | (2,301)  |
| Finance expenses   | (340)                     | (434)  |
| Insurance  | (158)                     | (154)  |
| Legal fees   | (20)                      | (36)   |
| Marketing and advertising expenses                                   | (12)                      | (81)   |
| Patents  | (50)                      | (34)   |
| Property expenses  | (289)                     | (327)  |
| Telephone and other communication                                    | (33)                      | (35)   |
| Travel and accommodation   | (302)                     | (346)  |
| Other expenses   | (419)                     | (607)  |
| <b>Total expenses</b>  | <b>(4,718)</b>            | <b>(5,066)</b>                                 |
| <b>Loss from continuing operations</b>                               | <b>(1,758)</b>            | <b>(1,000)</b>                                 |
| Significant expenses   | -                         | (1,758)  |
| <b>Loss before income tax</b>  | <b>(1,758)</b>            | <b>(2,758)</b>                                 |
| Income tax   | -                         | -  |
| <b>Loss after income tax</b>   | <b>(1,758)</b>            | <b>(2,758)</b>                                 |
| <b>Other comprehensive income/(loss)</b>                             |                           |  |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                           |  |
| Foreign exchange translation   | -                         | 173  |
| <b>Total comprehensive (loss) for the period</b>                     | <b>(1,758)</b>            | <b>(2,585)</b>                                 |

**4. Consolidated Statement of Financial Position**

|                                      | Current<br>Period | Previous<br>Correspond-<br>ing period |
|--------------------------------------|-------------------|---------------------------------------|
|                                      | \$'000            | \$'000                                |
| <b>CURRENT ASSETS</b>                |                   |                                       |
| Cash and Cash equivalents            | 887               | 1,509                                 |
| Trade and other Receivables          | 1,294             | 1,162                                 |
| Inventories                          | 904               | 712                                   |
| Other current assets                 | 846               | 835                                   |
| <b>Total current assets</b>          | <u>3,931</u>      | <u>4,218</u>                          |
| <b>NON-CURRENT ASSETS</b>            |                   |                                       |
| Property, plant and equipment        | 291               | 279                                   |
| Intangibles                          | 995               | 1,194                                 |
| <b>Total non-current assets</b>      | <u>1,286</u>      | <u>1,473</u>                          |
| <b>TOTAL ASSETS</b>                  | <u>5,217</u>      | <u>5,691</u>                          |
| <b>CURRENT LIABILITIES</b>           |                   |                                       |
| Trade and other Payables             | 1,118             | 1,669                                 |
| Interest bearing liabilities         | 1,940             | 202                                   |
| Provisions                           | 216               | 183                                   |
| <b>Total current liabilities</b>     | <u>3,274</u>      | <u>2,054</u>                          |
| <b>NON-CURRENT LIABILITIES</b>       |                   |                                       |
| Interest-bearing liabilities         | 13                | 2,270                                 |
| Provisions                           | 20                | 29                                    |
| <b>Total non-current liabilities</b> | <u>33</u>         | <u>2,299</u>                          |
| <b>TOTAL LIABILITIES</b>             | <u>3,307</u>      | <u>4,353</u>                          |
| <b>NET ASSETS</b>                    | <u>1,910</u>      | <u>1,338</u>                          |
| <b>EQUITY</b>                        |                   |                                       |
| Issued Capital                       | 50,142            | 47,812                                |
| Accumulated losses                   | (48,232)          | (46,474)                              |
| <b>TOTAL EQUITY</b>                  | <u>1,910</u>      | <u>1,338</u>                          |

**5. Consolidated Statement of Cash Flows**

|   | Current<br>Period | Previous<br>corresponding<br>period |
|---|-------------------|-------------------------------------|
|   | \$ '000           | \$ '000                             |
| <b>Net cash flows from operating activities</b>   |                   |                                     |
| Receipts from customers   | 4,593             | 5,596                               |
| Payments to suppliers, consultants and employees  | (7,364)           | (6,924)                             |
| Borrowing costs   | (270)             | (434)                               |
| Interest received   | 14                | 29                                  |
| Other – Grants and R&D tax incentive  | 776               | 1,782                               |
| Net cash (used in) operating activities   | <u>(2,251)</u>    | <u>49</u>                           |
| <b>Cash flows from investing activities</b>   |                   |                                     |
| Proceeds from disposal of property, plant and equipment                                 | 49                | 125                                 |
| Purchase of property, plant and equipment   | (163)             | (140)                               |
| Net cash (used in) investing activities   | <u>(114)</u>      | <u>(15)</u>                         |
| <b>Cash flows from financing activities</b>   |                   |                                     |
| Repayment of borrowings   | -                 | (943)                               |
| Proceeds from issue of shares   | 1,881             | 539                                 |
| Costs of issuing shares   | (138)             | (58)                                |
| Net cash (used in) financing activities   | <u>1,743</u>      | <u>(462)</u>                        |
| <b>Net increase / (decrease) in cash and cash equivalents held</b>                      |                   |                                     |
| Effects of exchange rate fluctuations on the balance of cash held in foreign currencies | -                 | (52)                                |
| <b>Cash and Cash equivalents at the beginning of the year</b>                           | 1,509             | 1,989                               |
| <b>Cash and Cash equivalents at the end of the month</b>                                | <u><u>887</u></u> | <u><u>1,509</u></u>                 |

**6. Dividends**

*Amount per security*

|                                 | Amount per<br>security | Franked<br>amount per<br>security at<br>30% tax | Amount per<br>security of<br>foreign source<br>dividend |
|---------------------------------|------------------------|---|---|
|                                 | cents                  | cents   | cents   |
| Final dividend - current year   | Nil                    | N/A   | N/A   |
| - previous year                 | Nil                    | N/A   | N/A   |
| Interim dividend - current year | Nil                    | N/A   | N/A   |
| - previous year                 | Nil                    | N/A   | N/A   |

*Total dividends on all securities for the year*

|                          | Current<br>period | Previous<br>corresponding<br>period |
|--------------------------|-------------------|-------------------------------------|
|                          | \$'000            | \$'000                              |
| Ordinary securities      | -                 | -                                   |
| Preference securities    | -                 | -                                   |
| Other equity instruments | -                 | -                                   |
|                          | <hr/>             | <hr/>                               |
| Total                    | -                 | -                                   |
|                          | <hr/> <hr/>       | <hr/> <hr/>                         |

**7. Dividend reinvestment plans**

The dividend reinvestment plans shown below are in operation:

None

Last date for receipt of election notices  
for the dividend reinvestment plan: N/A

**8. Retained earnings**

|   | Current<br>period | Previous<br>correspond-<br>ing period |
|---|-------------------|---------------------------------------|
|   | \$ '000           | \$ '000                               |
| (Accumulated losses) at the beginning of the financial period | (46,474)          | (44,460)                              |
| Transfers from option premium reserve                         | -                 | 744                                   |
| Net (loss) attributable to members of the parent entity       | (1,758)           | (2,758)                               |
|   | <hr/>             | <hr/>                                 |
| (Accumulated losses) at the end of the financial period       | (48,232)          | (46,474)                              |
|   | <hr/> <hr/>       | <hr/> <hr/>                           |

**9. Net tangible assets**

|   | <b>Current<br/>period</b> | <b>Previous<br/>corresponding<br/>period</b> |
|---|---------------------------|--|
|   | <b>cents</b>              | <b>cents</b>                                 |
| Net tangible asset backing per ordinary share | 0.05                      | 0.01   |

**10. Details of entities over which control has been gained or lost**

|                                     |     |
|-------------------------------------|-----|
| <i>Control gained over entities</i> | N/A |
| <i>Control lost over entities</i>   | N/A |

**11. Details of associates and joint venture entities**

N/A

**12. Any other significant information**

Details of any other significant information needed by an investor to make an informed assessment of the entity's financial performance and position:

On 4 August 2016, Advanced Technology Ltd. raised \$2.7 million at the effective issue price of A\$0.007 per share in an over-subscribed share placement to institutions and sophisticated investors.

Under the placement, 271,815,065 shares were issued within the Company's 15% capacity to issue without shareholder approval.

An additional 114,134,943 shares were issued within the Company's 10% capacity to issue under Listing Rule 7.1A, as approved by shareholders at the 27 November 2015 Annual General Meeting.

Funds received from the placement will be used to:

- Fund repayment of \$1.295m of Convertible Notes, which expired on 15 August 2016 and for which redemptions were requested and, if elected, will be used for the \$0.500m of Convertible Notes due to expire on 19 November 2016, and
- Provide additional working capital to fund future developments

**13. Accounting standards**

For foreign entities, set of accounting standards used in compiling report: IFRS

## 14. Results for the period

### 14.1 *Earnings per security*

|   | Current<br>period<br><br>cents | Previous<br>corresponding<br>period<br><br>cents |
|---|--------------------------------|--|
| Basic (loss) per share  | (0.10)                         | (0.19)   |
|   | Number<br>'000                 | Number<br>'000                                   |
| Weighted average number of ordinary shares<br>during the period used in the<br>calculation of basic EPS | 1,688,815                      | 1,468,053  |

Diluted EPS are not shown for either the current period or the previous corresponding period as it would dilute the actual loss per share attributable to existing shareholders.

### 14.2 *Returns to shareholders*

N/A

### 14.3 *Significant features of operating performance*

As reported in FY15, considerable restructuring costs were incurred such as the costs in relation to the closure of our Thai operations and the write-down of inventory.

The current financial period FY16 has seen the full transition of manufacturing with our partners in Australia, continued expansion of our overseas markets through our expanding distribution channels and the focus on developing products such as the new polymer and Terra Dura brakes, specifically focused on known demand.

### 14.4 *Segment results*

The Group has identified its operating segment based on the management reports that are reviewed and used by the executive management team, (chief operating decision makers) in assessing performance and in determining the allocation of resources.

Management has identified a single operating segment, which is the design, manufacture and distribution of improved vehicle braking systems based on the patented Sealed Integrated Braking System (SIBS) technology to customers worldwide.

The performance of the operating segment is evaluated based on profit before tax and net finance costs (profit before tax and interest) and is measured in accordance with the Group's accounting policies.

The Group's financing requirements, finance income, finance costs and taxes are managed on a group basis.

### 14.5 *Trends in performance*

N/A

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

N/A

**15. This report is based on accounts to which one of the following applies:**

The accounts have been audited.

The accounts have been subject to review.

The accounts are in the process of being audited or subject to review.

The accounts have *not* yet been audited or reviewed.

**16. Description of any likely audit dispute or qualification.**

Nil



Sign here:

Date: 18 August 2016  
Company Secretary

Print name: Neville Walker