



**ADVANCED BRAKING TECHNOLOGY LTD
AND CONTROLLED ENTITIES**

ABN 66 099 107 623

**HALF-YEAR REPORT
AND APPENDIX 4D**

31 DECEMBER 2017

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2017.

Directors

The names of directors who held office during or since the end of the half-year and until the date of this report are:

Bruce Grey David Slack
Adam Levine Mark Lindh

REVIEW OF OPERATIONS

Business Overview

Advanced Braking Technology Ltd (ABT) is an Australian company listed on the Australian Stock Exchange (ASX: ABV) focusing on the development, manufacturing and marketing of high performance brakes to the automotive, transport and mining industry. This incorporates the ground-breaking and internationally patented single rotor enclosed wet brake technology, known as Sealed Integrated Braking System or SIBS®, plus the new Terra Dura® polymer brake, which is specifically designed for 4WD that operate in extreme conditions, both on-road and off-road. The Company has manufacturing bases in Australia with its Head Office in Perth and a corporate office in Melbourne.

Highlights

The highlights for the half-year to date and subsequent period to this report include:

- **New CEO, Mr Peter Hildebrandt, appointed in August 2017 with key skills in Supply Chain and Business Growth**
- **Appointment of Supply Chain Manager and Channel Manager to significantly improve product distribution capabilities**
- **Operating revenue of \$3.31m - up 25% on 1H 2016/17, with revenue improvement to continue in second half**
- **Gross Margin improved by 4.7%**
- **Roll-out of Terra Dura® commencing during the period with total quantity of 24 shipped**

Commentary

Financials

Revenue from trading activities for the first half of FY 2018 was \$3.31m, representing an increase of 25% compared to the corresponding period 2017. The Company has maintained focus on operational efficiencies and achieved a 4.7% increase in margins over this period on the back of meeting increased demand from its Australian customers. This result has been achieved on basis of ABT's existing product portfolio and only includes initial sales quantities of the highly anticipated Terra Dura® range.

Operations

In August 2017, the company appointed new CEO Peter Hildebrandt. During the period, ABT commenced a number of initiatives to resolve production issues associated with the Company's Terra Dura® brake as well as significantly increase domestic and international sales of the SIBS® range of products product.

Over the half-year, ABT appointed a new Supply Chain Manager and Channel Manager. These appointments are vital for the deployment of supply chain excellence and the development of a comprehensive distribution model that will support future growth. First results are already being captured with improvements to both domestic and international logistics arrangements resulting in operational savings.

During the period, the Company invested \$0.6m in the areas of sales, supply chain and channel management, as well as in measures to establish a robust and scalable supply chain for the Terra Dura® braking system. Specifically, ABT invested in additional tooling that was commissioned for second component manufacturers in both China and Australia. Despite the fact that this impacted the half-year result (slight increase in the half-year loss to ~\$0.60m), tangible results of those investments are reasonably expected to be realised in the future.

The Company is pleased to confirm that the enhancements to the supply chain are resulting in Terra Dura® being produced to the expected premium quality required for tough operating conditions. The Terra Dura® production ramp-up continues as expected with the global roll-out remaining on track throughout CY2018. ABT is pleased to report that 24 Terra Dura® units have been shipped to date, with increased numbers anticipated as established sales channels are engaged.

Additionally, ABT recently received feedback from an Australian mining customer who had been trialling a Terra Dura prototype for a period of more than twelve months. The Company is happy to report that the prototype withstood tough mining conditions and met the performance and durability expectations of both the customer and ABT. This positive feedback reinforces ABT's ability to develop a world-class and robust product range.

Growth Highlights and Outlook

Over the half-year the company enhanced its marketing strategy, which is starting to yield positive results.

ABT visited the Indaba mining conference in South Africa in early February. Feedback from engagements with current and potential customers was encouraging. The new Terra Dura® brake is seen as having strong potential in the harsh open cut mining environments of West Africa and the SIBS brake continues to attract strong interest in the mandated failsafe applications of South African mines.

The company has also started to re-align and strengthen its distribution network in Southern Africa. This includes the appointment of new channel partners to increase brand exposure and access to customers particularly in West Africa, the Copper Belt and the gold mining region of Tanzania.

Terra Dura® units have now been delivered to an OEM manufacturer in Europe who will conduct a number of test fittings on selected new vehicles. This well-known manufacturer has ambitions of increasing their presence in the mining industry and has identified the Terra Dura® as a potential key component. The Company looks forward to updating the market on the outcome of these OEM discussions as and when they occur.

Conclusion

On the strength of demand experienced so far, ABT is looking forward to a strong second half and a further strengthening of its position in 2018/19.

Rounding of Amounts

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

Auditor's Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 8 for the half year ended 31 December 2017.

Advanced Braking Technology Limited and Controlled Entities
ABN 66 099 107 623
Interim Financial Report

This report is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'B. Grey', enclosed within a large, loopy oval flourish.

Director: Bruce Grey, Chairman
Dated this 28 February 2018

Appendix 4D

Half year report

Rule 4.2A.3
Introduced 1/1/2003.

Name of Entity: **Advanced Braking Technology Limited**

ABN: **66 099 107 623**

1. Reporting period

Current period: **Half-year ended 31 December 2017**

Previous corresponding period: **Half-year ended 31 December 2016**

2. Results for announcement to the market

					\$A '000
Revenue	up	20%	to		3,797
Loss from ordinary activities after tax attributable to members	up	52%	to		(599)
Net loss for the period attributable to members	up	52%	to		(599)

	Amount per share cents	Franked amount per share cents
<i>Dividends</i>		
Final	Nil	n/a
Interim	Nil	n/a
Record date for determining entitlements to dividends	n/a	

3. Net tangible assets

	Current period cents	Previous corresponding period cents
Net tangible asset backing per ordinary share	<u>0.12</u>	<u>0.14</u>

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

Control gained over entities

N/A

Control lost over entities

N/A

5. Dividends

		Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source 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 period	Previous corresponding period
	\$'000	\$'000
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
	-	-

6. Dividend reinvestment plans

The dividend reinvestment plans below are in operation: N/A

Last date for receipt of election notices for the dividend re-investment plan: N/A

7. Details of associates and joint venture:

Name of entity	Percentage of ownership interest held at end of period	
	Current period	Previous corresponding period
N/A	N/A	N/A

Aggregate share of profits (losses) of associates and joint venture entities

	Current period	Previous corresponding period
	\$'000	\$'000
Profit / (loss) from ordinary activities before income tax	-	-
Income tax on ordinary activities	-	-
Profit / (loss) from ordinary activities after income tax	-	-
Outside equity interests	-	-
Net profit (loss) attributable to members	-	-

8. Accounting Standards

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

AIFRS

9. Auditor's review report

For all entities, if the accounts are subject to audit dispute or qualification, include a description of the dispute or qualification.

N/A

10. This report is based on accounts which one of the following applies:

The accounts have been Audited

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

The accounts have been subject to review

The accounts have not yet been audited or reviewed



Sign here: Company secretary

Date: 28 February 2018

Print name: Neville Walker

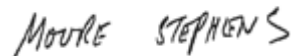
**AUDITOR'S INDEPENDENCE DECLARATION UNDER
S307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ADVANCED BRAKING TECHNOLOGY LIMITED**

As lead auditor for the review of Advanced Braking Technology Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



SUAN-LEE TAN
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2018

Advanced Braking Technology Limited and Controlled Entities
ABN 66 099 107 623
Interim Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Notes	Consolidated Group	
		31.12.2017	31.12.2016
		\$'000	\$'000
Revenue			
Revenue from trading activities	8	3,310	2,649
Revenue from other activities			
R&D Tax Incentive		471	383
Other		16	132
Total revenue		3,797	3,164
Cost of sales		(1,839)	(1,522)
Amortisation of IP		(32)	(99)
Bad and doubtful debts		-	-
Borrowing costs		(95)	(58)
Computer related expenses		(35)	(23)
Consulting fees		(162)	(61)
Consumables and minor equipment		(95)	(51)
Depreciation expense		(159)	(100)
Employee expenses		(1,371)	(1,124)
Insurance		(107)	(79)
Legal fees		(3)	(13)
Marketing and advertising		(85)	(64)
Patents		(18)	(17)
Property expenses		(76)	(143)
Telephone and other communication		(22)	(13)
Travel and accommodation		(190)	(73)
Other expenses		(107)	(117)
Loss before income tax		(599)	(393)
Income tax		-	-
Loss after income tax		(599)	(393)
Total comprehensive loss for the period		(599)	(393)
Earnings per share			
From continuing operations:		cents	cents
Basic earnings / (loss) per share (cents)		(0.03)	(0.02)

A diluted earnings / (loss) per share has not been shown as it would dilute the actual loss per share attributable to existing shareholders.

Advanced Braking Technology Limited and Controlled Entities
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 Interim Financial Report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Notes	Consolidated Group	
		31.12.2017 \$'000	30.06.2017 \$'000
CURRENT ASSETS			
Cash and cash equivalents		1,490	1,733
Trade and other receivables	3	1,047	2,183
Inventories		1,598	1,018
Other assets		631	974
Total current assets		4,766	5,908
NON-CURRENT ASSETS			
Trade and other receivables	3	-	-
Property, plant and equipment		449	462
Intangible assets		831	863
Total non-current assets		1,280	1,325
TOTAL ASSETS	8	6,046	7,233
CURRENT LIABILITIES			
Trade and other payables	4	1,139	1,741
Interest bearing liabilities		1,283	27
Provisions	5	155	233
Total current liabilities		2,577	2,001
NON-CURRENT LIABILITIES			
Interest bearing liabilities		24	1,344
Provisions	5	37	31
Total non-current liabilities		61	1,375
TOTAL LIABILITIES		2,638	3,376
NET ASSETS		3,408	3,857
EQUITY			
Issued capital	6	52,805	52,655
Accumulated losses	7	(49,397)	(48,798)
TOTAL EQUITY		3,408	3,857

The accompanying notes form part of this financial report

Advanced Braking Technology Limited and Controlled Entities
ABN 66 099 107 623
Interim Financial Report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Issued Capital	Accumulated losses	Reserves	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1.7.2017	52,655	(48,798)	-	3,857
Total net loss for the period		(599)		(599)
Subtotal	52,655	(49,397)	-	3,258
Issue of ordinary shares	74			74
Conversion of convertible notes	76			76
Cost of share issue	-			-
Balance at 31.12.2017	52,805	(49,397)	-	3,408
Balance at 1.7.2016	50,142	(48,232)	-	1,910
Total net loss for the period		(393)		(393)
Subtotal	50,142	(48,625)	-	1,517
Issue of ordinary shares	2,702			2,702
Cost of share issue	(200)			(200)
Balance at 31.12.2016	52,644	(48,625)	-	4,019

The accompanying notes form part of this financial report

Advanced Braking Technology Limited and Controlled Entities
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED
31 DECEMBER 2017

	Consolidated Group	
	31.12.2017	31.12.2016
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	5,449	3,987
Payments to suppliers and employees	(5,594)	(4,055)
Interest received	6	10
Finance costs	(30)	(96)
Net cash used in operating activities	(169)	(154)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of non-current assets	-	98
Purchase of property, plant and equipment	(147)	(176)
Net cash used in investing activities	(147)	(78)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	1,250
Repayment of borrowings	(77)	(1,345)
Proceeds from issue of shares	150	2,512
Net cash provided by financing activities	73	2,417
Net decrease in cash held	(243)	2,185
Cash and cash equivalents at beginning of period	1,733	887
Cash and cash equivalents at end of period	1,490	3,072

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
31 DECEMBER 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards

This interim financial report is intended to provide users with an update on the latest annual financial statements of Advanced Braking technology Limited and its controlled entities (referred to as the “consolidated group” of “group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the following half-year.

b. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters discussed at Note 1(c) below.

c. New and revised accounting requirements applicable to the current interim period

The consolidated entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

d. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Advanced Braking Technology Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
31 DECEMBER 2017**

e. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The critical estimates and judgments are consistent with those applied and disclosed in the June 2017 annual report.

f. Going Concern

The financial statements of the Group have been prepared on a going concern basis of accounting which assumes that the Group will be able to meet its commitments, realise its assets and discharge its liabilities in the ordinary course of business. During the half year ended 31 December 2017, the Group reported a net loss after tax of \$0.599 million, net operating cash outflow of \$0.169 million and closing cash/bank balance of \$1.49 million.

The Directors believe that the going concern basis is appropriate, primarily based on current working capital available combined with budgeted cashflows expected to be generated from trading operations over the next 12 months.

The Directors believe that as at the date of signing the financial statements there are reasonable grounds to believe that, having regards to the matters set out above, the Group will be able to continue to operate as a going concern and to meet its obligations as and when they fall due, for at least the next 12 months.

Advanced Braking Technology Limited and Controlled Entities
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 Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
 31 DECEMBER 2017**

NOTE 2: DIVIDENDS

No dividends were provided for or paid during the half year to 31 December 2017 and no dividends were provided for or paid during the preceding half year to 31 December 2016.

	CONSOLIDATED GROUP	
	31.12.2017	30.6.2017
	\$'000	\$'000
NOTE 3: RECEIVABLES		
Current		
Trade debtors	1,067	2,203
Less provision for doubtful debts	(20)	(20)
Total	1,047	2,183
Non-current		
Other receivables	-	-
Total	-	-
NOTE 4: PAYABLES		
Trade creditors	794	1,262
Accrued expenses	345	479
Total	1,139	1,741
NOTE 5: PROVISIONS		
Current provisions		
Annual leave	90	139
Long service leave	53	60
Warranty	12	34
Total	155	233
Non-current		
Long service leave	37	31
Total	37	31

Advanced Braking Technology Limited and Controlled Entities
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 Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
 31 DECEMBER 2017**

	CONSOLIDATED GROUP	
	31.12.2017	30.6.2017
	\$'000	\$'000
NOTE 6: ISSUED CAPITAL		
2,224,120,936 (June 2017: 2,199,637,634) ordinary shares fully paid	52,805	52,655
<i>At the beginning of the financial period / year</i>	52,655	50,142
<i>385,950,008 shares placement Aug 2016</i>	-	2,700
<i>158,619 Exercise of options Aug 2016</i>	-	2
<i>3,671,050 shares issued under an Key Management Incentive Scheme Sep 2017</i>	27	-
<i>3,900,000 convertible notes converted Sep 2017</i>	21	-
<i>10,500,000 convertible notes converted Oct 2017</i>	55	-
<i>6,412,252 shares issued under an Key Management Incentive Scheme Oct 2017</i>	47	-
	52,805	52,844
<i>Transaction costs relating to share issues</i>	-	(189)
<i>Balance at end of financial period / year</i>	52,805	52,655
 NOTE 7: ACCUMULATED LOSSES		
<i>Accumulated losses at the beginning of the financial period / year</i>	(48,798)	(48,233)
<i>Net loss attributable to members of the parent entity</i>	(599)	(565)
<i>Accumulated losses at the end of the financial period / year</i>	(49,397)	(48,798)

Advanced Braking Technology Limited and Controlled Entities
 ABN 66 099 107 623
 Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
 31 DECEMBER 2017**

NOTE 8: SEGMENT REPORTING

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

Management has identified a single operating segment, which is the design, production 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 interest and tax) 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

Revenue attributable to external customers is disclosed below, based on the location of the external customer.

	For the six months ended 31.12.2017 \$'000	For the six months ended 31.12.2016 \$'000
Australia	2,491	1,897
Canada	269	32
Poland	134	18
South Africa	113	448
Mongolia	76	93
New Zealand	63	26
Indonesia	41	112
Turkey	36	22
New Guinea	30	-
Kazakhstan	21	-
United States	15	-
Finland	12	-
Netherlands	8	-
Tanzania	1	-
Singapore	-	1
Total revenue from trading activities	3,310	2,649

Advanced Braking Technology Limited and Controlled Entities
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Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
31 DECEMBER 2017

NOTE 8: SEGMENT REPORTING

Assets by geographical region

The location of assets is disclosed below by geographical location of the assets:

	Balance as at 31.12.2017	Balance as at 30.6.2017
	\$'000	\$'000
Australia	6,046	7,233
Other	-	-
Total Assets	6,046	7,233

Intangible assets are treated as located in Australia.

NOTE 9: EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Directors are not aware of any significant events since the end of the reporting period.

Advanced Braking Technology Limited and Controlled Entities
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Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 18 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in black ink, appearing to read 'Bruce Grey', enclosed within a large, loopy oval scribble.

Director

Bruce Grey

Dated this 28th day of February 2018

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ADVANCED BRAKING TECHNOLOGY LIMITED AND ITS CONTROLLED ENTITIES

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Advanced Braking Technology Limited which comprises the consolidated condensed statement of financial position as at 31 December 2017, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Advanced Braking Technology Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 Advanced Braking Technology Limited's financial position as at 31 December 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 Advanced Braking Technology 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, which has been given to the directors of Advanced Braking Technology Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ADVANCED BRAKING TECHNOLOGY LIMITED AND ITS CONTROLLED ENTITIES (CONTINUED)**

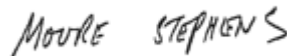
Conclusion

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 Advanced Braking Technology 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 31 December 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 the Corporations Regulations 2001*.



SUAN-LEE TAN
PARTNER



MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 28th day of February 2018