

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Q Technology Group Ltd

ABN

27 009 259 876

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	5,721	5,721
1.2 Payments for		
(a) staff costs	(1,154)	(1,154)
(b) advertising & marketing	(44)	(44)
(c) research & development	-	-
(d) leased assets	(161)	(161)
(e) other working capital	(3,687)	(3,687)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	(60)	(60)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	616	616

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	616	616
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(2)	(2)
(e) other non-current assets		
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(4)	(4)
(e) other non-current assets		
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(6)	(6)
1.14 Total operating and investing cash flows	610	610
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	(301)	(301)
1.18 Repayment of borrowings	(3)	(3)
1.19 Dividends paid		
1.20 Other (provide details if material)		
Net financing cash flows	(304)	(304)
Net increase (decrease) in cash held	306	306
1.21 Cash at beginning of quarter/year to date	(2,614)	(2,614)
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	(2,308)	(2,308)

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	125
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	2,765	2,277
3.2	Credit standby arrangement	-	-

Reconciliation of cash

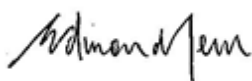
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	162	157
4.2 Deposits at call	1	1
4.3 Bank overdraft	(2,277)	(2,771)
4.4 Other (short term loans)	(194)	-
Total: cash at end of quarter (item 1.23)	(2,308)	(2,614)

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign: _____
 Date: 29 October 2015

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

ASX AND MEDIA RELEASE
29 October 2015

COMMENTARY ON CASHFLOW

Q Technology Group Limited (“QTG”) today announced a positive operating cash flow of \$0.6 million for the first quarter ended 30 September 2015.

The overall security peripherals market continued its sluggish trend in the first quarter as many consultants and integrators await end users’ sign off before proceeding with proposed quotes and projects. First quarter revenue for Q Security Systems (“QSS”) was \$1.6 million lower than comparative period as not all new products were in place and we continued to build and increase sales of our newly released products. The intrusion side of the business which made up the relative short fall is now gaining traction with the new Bosch 2000, 3000 and 6000 intrusion panels and the wireless Nortek 2GIG intrusion and automation system with the Alarm.com back end platform.

Notwithstanding this QTG maintained a positive cash flow through stringent working capital management. For the quarter, the Group reduced bank borrowings by \$0.5 million and exited stock funding facility completely as at 15 October 2015 effectively de-leveraged the Balance Sheet. As announced on 9 October 2015, a Rights Issue to raise \$0.8 million is in progress to fund new product initiatives and to replace some bank borrowings. Of the \$4.0 million invoice discounting credit line, \$2.0 million was utilized as at 30 September 2015.

QTG is confident QSS will deliver improving a result over coming months as new products start to penetrate positive impact in the security market. Additionally, QSS is pleased to announce a new agreement to distribute Dahua CCTV products commencing late November 2015. Dahua is the 2nd largest Chinese CCTV and security product manufacturer dealing in a range of cost effective CCTV and total security solutions all the way to enterprise level systems, access control, parking guidance systems and intercommunication equipment. This new distribution agreement now completes the product road map leading into 2016 and ensures we have all gaps left by legacy vendors over the last 18 months fully covered.

Rob Rosa
Managing Director and CEO

About Q Technology Group Limited

Q Technology Group Limited is based in Melbourne, Victoria. The Group has annualised revenues of approximately \$25 million as a leader in the supply and support of high quality CCTV, video switching, networking, alarm and access control products.

For more information on the Company please visit

<http://www.qtechnologygroup.com.au>

<http://www.qsecuritysystems.com.au>