
JUNE 2014 QUARTERLY REPORT COMMENTARY AND BUSINESS UPDATE

The Group's net cash position diminished by approximately \$147,000, with cash flows from operations depleting approximately \$343,000 of cash during the June 2014 quarter.

Transaction costs relating to restructuring the \$1m financing facility, repayment of loans and the capital raising costs relating to the entitlement issue were factors contributing to the negative cash flow result. However, revenues and expenses remained in line with expectations. Notably, the June 2014 quarter includes one of the lowest revenue periods for the Marketboomer business due to seasonal factors.

Subsequent to the end of the June 2014 quarter, the Company completed an entitlement issue to shareholders which raised approximately \$714,000 before costs.

The Company continues to investigate acquisition opportunities to add to the Group's technology portfolio and boost the collaborative consumption side of the Group and complement the recent DMCR acquisition.

Qanda is currently preparing an updated presentation in relation to the Group which will provide shareholders a much better view of the strategic position and potential for the Group.

It is envisaged that further capital will be required to fund further expansion and marketing efforts to add further assets and increase revenues of the Group.

Authorised by:

Nathan Gyaneshwar
CEO
Qanda Technology Ltd

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

QANDA TECHNOLOGY LTD

ABN

60 066 153 982

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from customers	593	3,662
1.2 Payments for (a) staff costs	(365)	(1,566)
(b) advertising and marketing	(21)	(68)
(c) research and development	(208)	(558)
(d) leased assets	-	-
(e) other working capital	(329)	(2,203)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	8
1.5 Interest and other costs of finance paid	(14)	(65)
1.6 Income tax credit received	-	-
1.7 Other	-	-
Net operating cash flows	(343)	(790)

+ See chapter 19 for defined terms.

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

	Current quarter \$A'000	Year to date (12 Months) \$A'000
1.8 Net operating cash flows (carried forward)	(343)	(790)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(5)	(5)
(d) physical non-current assets	-	(28)
(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	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (cash acquired on acquisition of subsidiary)	-	4
Net investing cash flows	(5)	(29)
1.14 Total operating and investing cash flows	(348)	(819)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	109	474
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	125	125
1.18 Repayment of borrowings	(33)	(89)
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	201	510
Net increase (decrease) in cash held	(147)	(309)
1.21 Cash at beginning of quarter/year to date	384	559
1.22 Exchange rate adjustments to item 1.21	(17)	(30)
1.23 Cash at end of quarter	220	220

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

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	(57)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Executive directors' remuneration	-	(50)
Non-executive directors' remuneration	-	(7)
Services provided by director-related entities	-	-

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

Nil

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

Qanda entered into agreements to convert the \$1 million loan facility from its lender Finecross Security Limited into a 49.5% interest in the Marketboomer business unit. The transactions have been completed on 30 June 2014.

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	175	175
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

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	220	384
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		220	384

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Nil
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net liabilities	
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 here: Date: **31 July 2014**
CEO/ Managing Director

Print name: **Nathan Gyaneshwar**

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 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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.

+ See chapter 19 for defined terms.