

Quantum Energy Limited and Controlled Entities
ABN: 19 003 677 245

PRELIMINARY FINAL REPORT

Appendix 4E

Preliminary Final Report

Financial Year ended 30 June 2015

This information is provided under listing rule 4.3A for the year ended 30 June 2015 and includes comparative information for the year ended 30 June 2014.

Results for Announcement to the market

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$	Amount change \$	% change
Revenue from ordinary activities	39,152,210	32,142,985	7,009,225	22
Profit (Loss) from continuing operations after tax attributed to members	827,351	(4,712,684)	5,540,035	118
Loss from discontinued activities after tax attributed to members	(418,211)	(8,927)	(409,284)	(4,585)
Profit (Loss) for the period attributed to members	409,140	(4,721,610)	5,130,750	109

No dividends have been paid, declared or recommended by the Company during the year ended 30 June 2015.

Net tangible assets per security

	As at 30 June 2015 cents	As at 30 June 2014 cents
Net tangible assets per ordinary share	0.60	1.06

Controlled entities

On 18 July, 2014 the group acquired a 41% holding in Quantum Healthcare Thailand Co. Ltd and a 84% holding in Quantum Healthcare Korea Co. Ltd respectively. Subsequent to year end, on 29 July, 2015 the group also acquired a 95% holding in D&D Hunex Co Ltd.

Associates and joint venture entities

During the year the group disposed of its interest in its associate, Manly Warringah Sea Eagles Limited.



Quantum Energy Limited

And its controlled entities

A.B.N. 19 003 677 245

APPENDIX 4E

PRELIMINARY FINAL REPORT

YEAR ENDED 30 JUNE 2015

Quantum Energy Limited

APPENDIX 4E

Preliminary Final Report

Review of Operations

The Environmental Services Division changed its distribution model and has improved revenues and profit during the latter part of the year. The business is now also distributing both gas and electric products to complement its superior energy efficient heat pump products.

Quantum Health Group the medical division of Quantum Energy Ltd continued to perform well in the last financial year distributing high-end medical imaging equipment in Australia, New Zealand, Thailand and Korea. Quantum Health Group consolidates the results of InSight Oceania P/L, Medishop P/L, Quantum Healthcare P/L, Med-X Healthcare P/L, Quantum Healthcare Thailand Co. Ltd and Quantum Healthcare Korea Co Ltd.

Quantum expects continued expansion and growth within the Health Group and will continue to seek new opportunities in healthcare in SE Asia in the next twelve months.

Financial position

The net assets of the consolidated group have increased to \$ 27,024,000 as at 30 June 2015. The Directors believe that the group is in a strong and stable financial position to expand and grow its current operations.

General

There were no significant changes in the nature of the group's principal activities.

EPS and Diluted EPS

The earnings per share for the current financial year was 0.04 cents as compared with a loss per share of (0.46) cents in the previous corresponding period. The diluted earnings per share was 0.04 cents as compared with a loss per share of (0.46) cents in the previous corresponding period.

Factors which are likely to affect results in the future

The Company is unaware of any factors which are likely to affect results in the future.

The consolidated group operations are not significantly affected by environmental regulations except to the extent that government regulatory legislation for environmental technologies may impact the growth of sales of energy efficient products.

Control gained or lost over entities having a material effect

On 18 July, 2014 the group acquired a 41% holding in Quantum Healthcare Thailand Co. Ltd and a 84% holding in Quantum Healthcare Korea Co. Ltd respectively. Subsequent to year end, on 29 July, 2015 the group also acquired 95% holding in D&D Hunex Co Ltd.

Audited Accounts

This report is based upon accounts that are in the process of being audited.



Drew Townsend
Chairman of the Board
31st August 2015

Quantum Energy Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated Group	
		2015	2014
		\$ 000	\$ 000
Revenue from continuing activities	2	39,153	32,143
Other income	2	3,394	-
Cost of Sales		(21,686)	(18,231)
Employee benefits expense		(10,865)	(7,862)
Depreciation and amortisation expense – non manufacturing		(232)	(211)
Advertising and promotion expenses		(463)	(51)
Finance costs	3	(892)	(763)
Legal fees		(72)	(63)
Research and development expenditure		(398)	(249)
Travel expenses		(1,099)	(1,007)
Motor vehicle expenses		(498)	(416)
Warranty expenses		(169)	(191)
Telephones & internet		(213)	(199)
Consultants		(136)	(131)
Freight & delivery expenses		(124)	(155)
Occupancy (rent) expenses		(1,165)	(1,100)
Insurance		(244)	(219)
Profit (loss) on disposal of Renewable Energy Certificates		652	530
Fair value gain/(loss) on financial assets (Renewable Energy Certificates)		405	(213)
Share of profit/(loss) in associate	10	-	442
Other expenses		(3,752)	(1,210)
Profit from Continuing Operations before income tax		1,596	844
Income tax (expense) credit		(192)	(5,557)
Net profit (Loss) from Continuing Operations		1,404	(4,713)
(Loss) from Discontinued Operations	8	(418)	(9)
Net profit (Loss) after tax		986	(4,722)
Other comprehensive income			
Translation of foreign subsidiaries		1,266	(110)
Total comprehensive income /(loss) for the period		2,252	(4,832)
Profit/(loss) for the period is attributable to:			
Non-controlling interests		577	-
Owners of the parent		409	(4,722)
		986	(4,722)
Profit/(loss) from continuing operations attribute to:			
Non-controlling interests		577	-
Owners of the parent		827	(4,713)
		1,404	(4,713)
Total comprehensive income for the period is attributable to:			
Non-controlling interests		672	-
Owners of the parent		1,580	(4,832)
		2,252	(4,832)

Quantum Energy Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

	Note	Consolidated Group	
		2015 \$ 000	2014 \$ 000
Earnings/(loss) per share for the loss from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings/(loss) per share (cents per share)	4	0.08	(0.46)
Diluted earnings/(loss) per share (cents per share)	4	0.08	(0.46)
Earnings/(loss) per share for the loss attributable to the ordinary equity holders of the company			
Basic earnings/(loss) per share (cents per share)	4	0.04	(0.46)
Diluted earnings/(loss) per share (cents per share)	4	0.04	(0.46)

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015

		Consolidated	
	Note	2015 \$ 000	2014 \$ 000
CURRENT ASSETS			
Cash and cash equivalents	5	3,005	4,440
Trade and other receivables		5,866	4,797
Inventories		19,683	10,729
Financial assets		1,871	1,023
Other current assets		3,567	958
TOTAL CURRENT ASSETS		33,992	21,947
NON-CURRENT ASSETS			
Investments accounted for using equity method	10	-	529
Trade and other receivables		261	-
Property, plant and equipment		1,267	760
Deferred tax assets		1,589	2,010
Intangible assets	9	19,288	11,955
Financial Assets		3,481	3,598
Other		2,100	690
TOTAL NON-CURRENT ASSETS		27,986	19,542
TOTAL ASSETS		61,978	41,489
CURRENT LIABILITIES			
Trade and other payables		20,856	8,049
Borrowings		5,711	5,639
Short term provisions		1,691	1,618
TOTAL CURRENT LIABILITIES		28,258	15,306
NON-CURRENT LIABILITIES			
Borrowings		6,039	1,289
Employee benefits		657	110
TOTAL NON-CURRENT LIABILITIES		6,696	1,399
TOTAL LIABILITIES		34,954	16,705
NET ASSETS		27,024	24,784
EQUITY			
Issued capital	6	83,789	83,789
Non-controlling interests		660	-
Reserves		1,684	513
Retained earnings (accumulated losses)		(59,109)	(59,518)
TOTAL EQUITY		27,024	24,784

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Ordinary Share Capital	Undistribut able Profits Reserve	Exchange Translation Reserve	Retained Profits (Losses)	Total	Attributable to non- controlling interests	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Consolidated							
Balance at 1 July 2013	83,789	504	119	(54,796)	29,616	-	29,616
Total comprehensive income / (loss) for the year	-	-	(110)	(4,722)	(4,832)	-	(4,832)
Balance at 30 June 2014	83,789	504	9	(59,518)	24,784	-	24,784
Balance at 1 July 2014	83,789	504	9	(59,518)	24,784	-	24,784
Non controlling interest on acquisition	-	-	-	-	-	(12)	(12)
Profit for the year	-	-	-	409	409	577	986
Other comprehensive income / (loss) for the year	-	-	1,171	-	1,171	95	1,266
Balance at 30 June 2015	83,789	504	1,180	(59,109)	26,364	660	27,024

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$000	2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		46,649	34,213
Payments to suppliers and employees		(49,342)	(32,375)
Interest received		117	21
Finance costs		(438)	(307)
Income tax paid		(120)	-
Net cash provided by (used in) operating activities		(3,134)	1,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		6	21
Purchase of property, plant and equipment		(485)	(22)
Dividends received from unrelated entity		8	7
Payments for acquisition of subsidiary net of cash acquired	12b	(1,027)	(50)
Initial payments relating to purchase of D&D Hunex Co. Ltd	13	(1,045)	-
Payments for financial assets		(2,826)	(1,836)
Proceeds from sale of investment		3,900	-
Proceeds from sale of financial assets		2,723	2,233
Net cash provided by (used in) investing activities		1,254	353
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances/Repayment of borrowings		1,168	(1,591)
Net cash provided by (used in) financing activities		1,168	(1,591)
Net increase/(decrease) in cash held		(712)	314
Cash at beginning of period		1,771	1,457
Cash at end of period	5	1,059	1,771

The accompanying notes form part of these financial statements

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies have been consistently applied by the consolidated entity and are consistent with those applied in the 30 June 2014 annual financial report.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group	
	2015	2014
	\$000	\$000
Revenue		
Sale of goods	27,026	25,905
Services revenue	11,450	5,779
	38,476	31,684
Other Revenue		
Interest receivable- other entities	118	21
Interest receivable – related parties	365	310
Dividend from unrelated parties	8	7
Other revenue	186	121
	677	459
Total Revenue	39,153	32,143
Other income		
Profit on disposal of associate	3,394	-

NOTE 3: PROFIT /(LOSS) FOR THE YEAR

Expenses		
Finance costs		
- External	442	375
- Related parties	450	388
Total finance costs	892	763
Foreign currency losses (gains)	1,867	(54)

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

NOTE 4: EARNINGS PER SHARE

	Consolidated Group	
	2015	2014
	Cents per Share	Cents per Share
Profit/(Loss) per share for the loss from continuing operations		
Basic earnings/ (loss) per share	0.08	(0.46)
Diluted earnings/ (loss) per share	0.08	(0.46)
Profit/ (Loss) per share for the net loss after tax		
Basic earnings/ (loss) per share	0.04	(0.46)
Diluted earnings/ (loss) per share	0.04	(0.46)
(a) Reconciliation of earnings to profit or loss		
	2015	2014
	\$ 000	\$ 000
Net profit/(loss) from continuing operations		
Earnings used to calculate basic EPS	827	(4,713)
Earnings used to calculate diluted EPS	827	(4,713)
Net profit/ (loss)		
Earnings used to calculate basic EPS	409	(4,722)
Earnings used to calculate diluted EPS	409	(4,722)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,018,308,291	1,018,308,291
(c) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	1,018,308,291	1,018,308,291

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2015	2014
	\$000	\$000
Cash as shown in the Balance Sheet is reconciled to cash at the end of the financial year shown in the Cash Flow Statement		
Cash at bank and in hand	3,005	4,440
Bank Overdraft	(1,946)	(2,669)
	1,059	1,771

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

NOTE 6: ISSUED CAPITAL

	Consolidated Group		Consolidated Group	
	2015	2014	2015	2014
	No.	No.	\$000	\$000
CURRENT				
Fully paid ordinary shares	1,018,308,291	1,018,308,291	83,789	83,789
Movements:				
At beginning of the year	1,018,308,291	1,018,308,291	83,789	83,789
At the end of the year	1,018,308,291	1,018,308,291	83,789	83,789

NOTE 7: SEGMENT REPORTING

	Environmental Services		Medical		Investments		Unallocated	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2015	2014	2015	2014	2015	2014	2015	2014
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue and other income	8,722	9,697	29,804	20,102	3,654	2,029	367	315
Profit/(Loss)	(3,358)	(1,606)	2,378	1,971	3,880	767	203	(5,842)
Segment assets	10,545	9,617	48,235	25,202	1,102	1,566	9,509	4,687
Segment liabilities	4,656	4,531	22,181	7,577	18	18	9,320	4,522

	Elimination		Consolidated - Continuing Operations		Discontinued		Consolidated	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2015	2014	2015	2014	2015	2014	2015	2014
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue and other income	-	-	42,547	32,143	-	-	42,547	32,143
Profit/(Loss)	(1,699)	(3)	1,404	(4,713)	(418)	(9)	986	(4,722)
Segment assets	(7,415)	417	61,976	41,489	2	-	61,978	41,489
Segment liabilities	(1,221)	57	34,954	16,705	-	-	34,954	16,705

NOTE 8: DISCONTINUED OPERATIONS

	2015	2014
	\$000	\$000
(a) Financial Performance Information		
Financial Performance information in relation to Discontinued operation as described in (e) below		
Revenue	-	-
Expenses	(4)	(11)
Net Loss before Income Tax	(4)	(11)
Income Tax expense	(414)	2
Loss after income tax from Discontinued Operations	(418)	(9)

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

NOTE 8: DISCONTINUED OPERATIONS (continued)

	2015	2014
	\$000	\$000
(b) Cash Flow information		
Cash flow information in relation to Discontinued Operation		
Net Cash (out) flow from Operating Activities	(1)	(11)
(c) Assets classified as held for sale		
Assets held for sale (discontinued operation – see (e) below)		
Trade Receivables	-	-
(d) Liabilities directly associated with assets classified as held for resale		
Liabilities held for sale (discontinued operation – see (e) below)		
Trade & Other Payables	-	-
(e) Discontinued Operation		
One 30 June 2011 the Company closed down its retail Solar Power Division.		

NOTE 9: GOODWILL

Goodwill has been tested for impairment at 30 June 2015 and the Directors believe no adjustment is required in relation to the carrying value of goodwill as at 30 June 2015.

	2015	2014
	\$000	\$000
Goodwill is attributed to the following businesses:		
Medical:		
- Insight Oceania Pty Ltd	11,811	11,811
- Quantum Healthcare Korea Co. Ltd	5,102	-
- Quantum Healthcare Thailand Co. Ltd	2,231	-
Heat pump Technologies	144	144
	19,288	11,955

NOTE 10: INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

	2015	2014
	Ownership Interest	Ownership Interest
Information in relation to Associates		
(i) Many Warringah Sea Eagles Limited	-	37%
(ii) Quantum HQ	50%	50%

The group's share of the results of its associate and its aggregate assets and liabilities are as follows:

	Ownership interest	Assets	Liabilities	Revenue	Profit/(Loss)
	%	\$ 000	\$ 000	\$ 000	\$ 000
30/06/2015 Manly Warringah Sea Eagles Limited	-	-	-	-	-
30/06/2014 Manly Warringah Sea Eagles Limited	37%	1,237	1,855	7,010	442
30/06/2015 Quantum HQ	50%	66	45	151	1
30/06/2014 Quantum HQ	50%	45	29	41	(29)

Share of contingent liabilities of associate is \$ Nil (30 June 2014 \$ Nil).

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

NOTE 11: RESULTS OF SUBSIDIARIES ACQUIRED DURING THE YEAR

Subsidiaries acquired during the year contributed \$2,081,208 towards net profit of the group, of which \$577,000 was attributable to the non-controlling interest.

NOTE 12: ENTITIES ACQUIRED DURING THE PERIOD

(a) Summary of acquisitions

On 18 July, 2014 the Group acquired 41% holding in Quantum healthcare Thailand Co. Ltd ("QHC Thailand) and a 84% holding in Quantum Healthcare Korea Co. Ltd ("QHC Korea), distributors of high end medical equipment in Thailand and Korea respectively, to expand the Group's presence in this sector.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	QHC Thailand \$000	QHC Korea \$000	Total \$000
Purchase consideration (refer to (b) below)			
Contingent consideration	-	114	114
Deferred consideration	1,481	1,601	3,082
Cash paid	1,119	342	1,461
	2,600	2,057	4,657

Of the cash paid, \$612,000 in relation to QHC Thailand was paid during the year ended 30 June 2014. Total cash consideration for the purchase of QHC Thailand and QHC Korea during the year ended 30 June 2015 was \$849,000.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value	
	QHC Thailand \$000	QHC Korea \$000
Cash and overdrafts	(181)	3
Stock	729	252
Trade debtors	791	3,240
Other assets	693	1,038
Trade creditors	(342)	(4,103)
Other creditors	(797)	(4,055)
Net identifiable assets (liabilities) acquired	893	(3,625)
Non-controlling interests	(525)	580
Goodwill	2,232	5,102
Net assets acquired	2,600	2,057

(i) Contingent consideration

Additional amounts are payable for the acquisition of both subsidiaries if certain profit targets are met in future periods. Based upon the director's estimate of future profits, \$ 113,658 of additional contingent consideration has been included in the total purchase consideration.

(ii) Non-controlling interests

In accordance with the accounting policies, the group elected to recognize the non-controlling interest as a proportionate share of the acquired net identifiable assets.

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015 (CONTINUED)

NOTE 12: ENTITIES ACQUIRED DURING THE PERIOD (CONTINUED)

(b) Purchase consideration – cash flow

	\$000
Outflow of cash to acquire, net of cash acquired	
Cash consideration	849
Cash overdrafts acquired	178
Outflow of cash – investing activities	<u>1,027</u>

NOTE 13: SUBSEQUENT EVENTS

On 29 July 2015, the group acquired a 95% holding in D&D Hunex Co Ltd, a manufacturer of high quality medical supplies and a distributor of medical equipment and supplier in South Korea. Consideration includes a cash component of USD \$1.3m with partial deferred payments up until December 2018 and a script component of 4% of the total ordinary shares of Quantum Healthcare Pty Ltd.