

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")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	5,562	15,800
1.2	Payments for (a) staff costs	(1,152)	(3,471)
	(b) advertising & marketing	(34)	(120)
	(c) research & development	-	-
	(d) leased assets	(158)	(452)
	(e) other working capital	(5,543)	(13,387)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	3
1.5	Interest and other costs of finance paid	(102)	(242)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net operating cash flows	(1,426)	(1,868)

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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,426)	(1,868)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(12)	(44)
(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		10
(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	(12)	(34)
1.14 Total operating and investing cash flows	(1,438)	(1,902)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	745
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings	775	644
1.18 Repayment of borrowings	-	(7)
1.19 Dividends paid		
1.20 Other (provide details if material)	(8)	(8)
Net financing cash flows	767	1,374
Net increase (decrease) in cash held	(671)	(529)
1.21 Cash at beginning of quarter/year to date	(2,472)	(2,614)
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	(3,143)	(3,143)

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	115
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	3,394	3,135
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	272	167
4.2	Deposits at call	1	1
4.3	Bank overdraft	(3,135)	(2,360)
4.4	Other (short term loans)	(280)	(280)
Total: cash at end of quarter (item 1.23)		(3,143)	(2,472)

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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.

Edmond Tern (Company secretary)
29 April 2016

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 April 2016

COMMENTARY ON CASHFLOW

Q Technology Group Limited ("QTG") has today released its quarterly cash flow report for the quarter ended 31 March 2016 which shows a \$1.4 million negative operating cash. This is reflecting the investment of new products that were introduced in this quarter and as reported in the December ASX release.

In November 2015, Q Security Systems ("QSS") announced it was awarded the DAHUA product distributorship and was appointed as the primary distributor of FLIR Latitude (formerly DVTEL) products in Australia. We are also pleased to announce the new distribution agreement of Power Shield. Power Shield is the Australian power protection company specialising in developing and providing Uninterruptible Power Systems (UPS Supply) and power filtration products specifically for the Australian market and complimentary to the current security products distributed by QSS. The business has worked hard to secure these and other high quality supplier distribution agreements and is pleased with the level of market acceptance and is focussed on building strong sales momentum following these new products through our existing and new customer base.

Though it is not evident through our cash flow report, QTG is pleased to report that both revenue and margin contribution have strengthened in the last two consecutive quarters and we have had revenue growth of 7.0% and 14.7% respectively. We expect this trend to continue into the next quarter.

We are also pleased to report that new banking facilities are now finalised and working well to support working capital requirements of the business.

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 \$24 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>