ASX ANNOUNCEMENT **27 FEBRUARY 2014**

INTERIM FINANCIAL RESULTS

In accordance with Listing Rule 4.2A.3, the Interim Financial Report for the six months ended 31 December 2013 and Appendix 4D – Half Year Report of Qanda Technology Ltd (ASX: QNA) follow this announcement. This information is to be read in conjunction with the annual report for the year ended 30 June 2013.

AUTHORISED BY:

Nathan Gyaneshwar
CEO
Qanda Technology Ltd
Email: nathan.gyaneshwar@marketboomer.com

qanda technology.

QANDA TECHNOLOGY LTD

Appendix 4D

Half Year Report
for the period ended 31 December 2013

Results for announcement to the Market

	Current Period $'000	Percentage Change	Previous Corresponding Period $'000
Revenue from ordinary activities[1]	1,723	8.3%	1,591[2]
Loss from ordinary activities after tax attributable to members[3]	(882)	343.22%	(199)[4]
Net profit/(loss) for the period attributable to members	(882)	(143.13%)	2,045

1. Revenue from continuing operations has been disclosed as revenue from ordinary activities.
2. Previous corresponding period has been restated to disclose revenue from continuing operations as revenue from ordinary activities.
3. Net loss for the period from continuing operations has been disclosed as loss from ordinary activities after tax attributable to members.
4. Previous corresponding period has been restated to disclose net loss for the period from continuing operations as loss from ordinary activities after tax attributable to members.

Dividends	**Amount per security**	**Percentage Franked**
Current period:		
Interim Dividend	Nil	N/A
Date the Dividend is Payable:		N/A
Record Date for determining entitlements to the Dividend:		N/A
Prior corresponding period:		
Interim Dividend	Nil	N/A

Net Tangible Assets per Security	**Current Period**	**Previous Corresponding Period**
Cents per ordinary share	(0.14) cents	(0.11) cents

If the accounts contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter:

The independent auditor's review report contains an emphasis of matter in relation to going concern. The emphasis of matter states that on the basis of the factors indicated in the going concern note to the financial statements, there is a material uncertainly that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

qanda technology.

QANDA TECHNOLOGY LTD

ACN 066 153 982

INTERIM FINANCIAL REPORT
31 DECEMBER 2013

qanda technology.

QANDA TECHNOLOGY LTD

ACN 066 153 982

INTERIM FINANCIAL REPORT – 31 DECEMBER 2013

Contents **Page**

DIRECTORS' REPORT

The Directors present the financial report of the consolidated entity consisting of Qanda Technology Ltd (the **Company** or **Parent Entity**) and its controlled entities (the **consolidated entity** or **Group**) for the half-year ended 31 December 2013 and the independent auditor's review report thereon:

1. Directors

The Directors of the Company at any time during or since the end of the interim period and until the date of this report are noted below.

Name	***Period of directorship***
Mr Nathan Gyaneshwar *CEO/Managing Director*	Director since November 2010
Mr Ben Donovan *Non-Executive Director*	Director since November 2009
Mr Kim Redstall *Non-Executive Director*	Appointed 20 November 2009, resigned 29 November 2013
Mr Reuben Buchanan *Non-Executive Director*	Appointed 25 October 2013
Mr Adrian Bunter *Non-Executive Director*	Appointed 19 February 2014

2. Results

The net loss after tax of the Group for the half-year was $881,841 (2012: profit of $2,045,118).

3. Review of Activities

Overview

The Group's gross revenue increased by 8.3% to $1,723,370 in this half year, however the net loss from continuing operations increased by $682,586 to $881,841.

Operations

The Marketboomer business unit continues to operate as expected, securing new customers in Thailand and Australia. Following the signing of a letter of intent, the Accor Hotel group commenced implementation of our Purchase Plus product in Qantas Club Lounges, which Accor manages under contract. During the December 2013 quarter, 26 of 28 lounges across eight locations in Australia were implemented.

The transition of existing customers from our legacy platform to Purchase Plus continues to be challenging and resource intensive. The inventory management module is nearing completion and we anticipate that it will simplify future customer transitions.

Shareholder approval was received on 10 January 2014 for the acquisition of a 100% interest in Drive My Car Rentals Pty Ltd (**DMCR**) which owns the DMCR business and assets (the **Acquisition**). Settlement of the Acquisition was completed on 19 February 2014. This Acquisition presents opportunities for the Group to generate higher levels of earnings and cash flow for Qanda in the future from the growth of the DMCR business. However, initial investment will be made to ramp up sales and marketing for the proven DMCR business model.

Corporate

As previously announced to the market, the Company is seeking to raise funds to support this investment via a 2-for-11 pro-rata non-renounceable entitlement issue to shareholders (**Entitlement Issue**).

The funds will be used to underpin the development and marketing of the DMCR business as well as the ongoing research and development and technical costs associated with the Marketboomer business unit. The directors are also cognisant of $175,000 of convertible note facilities maturing in March 2014 and the increasing portion of unsecured loans, including a portion of the $1 million loan from Finecross Security Limited, being classified under the Accounting Standards as being due and payable within the next 12 months.. The Board is currently investigating options in relation to restructuring these debts of the Company, being the convertible notes and the Finecross loan. As a result, the structure and timing of the proposed Entitlement Issue is yet to be finalised.

DIRECTORS' REPORT

To reward the loyalty of long standing shareholders and to give those shareholders the opportunity to participate in the continued growth of the Company, it is also proposed to complete a 1-for-10 bonus issue of options to shareholders (**Bonus Issue**). The Company is also hopeful the Bonus Issue will provide the Company with a mechanism to raise funds in the future should the bonus options be exercised before their expiry date. The options will have an exercise price of $0.002 and will expire approximately 3 years after the issue date.

A prospectus will be sent to eligible shareholders in relation to the Entitlement Issue and Bonus Issue in early March 2014.

The Company continues to actively progress options to add scale to the Group via potential acquisitions as well as contemplating opportunities to meet short-term debt obligation.

4. Auditor's independence declaration under Section 307C of the Corporations Act 2001

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 3 and forms part of this Directors' Report for the half-year ended 31 December 2013.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

Nathan Gyaneshwar
CEO/Managing Director

Dated at Sydney, New South Wales, this 27th day of February 2014.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Qanda Technology Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**M R W Ohm**
27 February 2014	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

qanda technology.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

	Note	Consolidated 31 Dec 2013 $	31 Dec 2012 $
Revenue		1,723,370	1,590,663
Cost of sales		(155,370)	(342,773)
Gross profit		1,568,000	1,247,890
Other income		114,709	3,101
Corporate and administrative expenses		(1,788,009)	(1,095,755)
Technical expenses		(295,261)	(189,977)
Research and development expenses		(231,347)	(134,754)
Impairment development expenses		(168,003)	-
Results from operating activities		(799,911)	(169,495)
Finance income		3,359	6,014
Finance costs		(40,052)	(47,901)
Net financing costs		(36,693)	(41,887)
Loss before income tax		(836,604)	(211,382)
Income tax (expense)/benefit		(45,237)	12,127
Loss from continuing operations		**(881,841)**	**(199,255)**
Discontinued operation			
Profit from discontinued operation	7	-	2,244,373
(Loss)/profit for the period		**(881,841)**	**2,045,118**
Other comprehensive income			
Items which may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(104,904)	9,402
Reclassification adjustments:			
Exchange differences reclassified on disposal of foreign operations		-	(535,226)
Total comprehensive result for the period		**(986,745)**	**1,519,294**
(Loss)/profit for the period is attributable to:			
Non-controlling interest		(2)	563
Owners of the parent		(881,839)	2,044,555
		(881,841)	**2,045,118**
Total comprehensive result for the period is attributable to:			
Non-controlling interest		(2)	563
Owners of the parent		(986,743)	1,518,731
		(986,745)	**1,519,294**
Loss per share for loss attributable to the ordinary equity holders of the parent:			
Basic (loss)/earnings per share (cents)		(0.10)	0.28
Basic (loss)/earnings per share from continuing operations (cents)		(0.10)	(0.03)

The condensed statement of comprehensive income is to be read in conjunction with the accompanying notes.

qanda technology.

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Consolidated 31 Dec 2013 $	30 Jun 2013 $
CURRENT ASSETS			
Cash and cash equivalents		432,312	559,179
Trade and other receivables		915,792	1,029,441
Other current assets		53,302	7,971
TOTAL CURRENT ASSETS		1,401,406	1,596,591
NON-CURRENT ASSETS			
Other receivables		2	85,308
Property, plant and equipment		39,207	28,836
Intangible assets		2,179,227	2,417,214
TOTAL NON-CURRENT ASSETS		2,218,436	2,531,358
TOTAL ASSETS		3,619,842	4,127,949
CURRENT LIABILITIES			
Trade and other payables		528,675	382,640
Other current liabilities	8	882,100	639,902
Borrowings		124,445	127,955
Redeemable convertible notes	10	175,000	451,810
Short-term provisions	9	140,778	130,860
TOTAL CURRENT LIABILITIES		1,850,998	1,733,167
NON-CURRENT LIABILITIES			
Borrowings		988,232	1,018,973
Other non-current liabilities	8	32,153	39,272
Long-term provisions	9	38,357	41,677
TOTAL NON-CURRENT LIABILITIES		1,058,742	1,099,922
TOTAL LIABILITIES		2,909,740	2,833,089
NET ASSETS		**710,102**	**1,294,860**
EQUITY			
Issued capital	11	21,700,272	21,298,285
Reserves		(411,335)	(306,431)
Accumulated losses		(20,612,672)	(19,730,833)
Total equity attributable to the owners of the parent		676,265	1,261,021
Non-controlling interests		33,837	33,839
TOTAL EQUITY		**710,102**	**1,294,860**

The condensed statement of financial position is to be read in conjunction with the accompanying notes.

qanda technology.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

Consolidated	Issued capital $	Option Premium Share Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Owners of the Parent $	Non-controlling interest $	Total $
Balance as at 1 July 2013	21,298,285	86,000	(392,431)	(19,730,833)	1,261,021	33,839	1,294,860
Loss for the period	-	-	-	(881,839)	(881,839)	(2)	(881,841)
Other comprehensive income	-	-	(104,904)	-	(104,904)	-	(104,904)
Total comprehensive loss for the period	-		(104,904)	(881,839)	(986,743)	(2)	(986,745)
Issue of share capital	401,987	-	-	-	401,987	-	401,987
Balance as at 31 December 2013	**21,700,272**	**86,000**	**(497,335)**	**(20,612,672)**	**676,265**	**33,837**	**710,102**
Balance as at 1 July 2012	21,276,712	86,000	106,814	(20,264,007)	1,205,519	33,604	1,239,123
Profit for the period	-	-	-	2,044,555	2,044,555	563	2,045,118
Other comprehensive income	-	-	(525,824)	-	(525,824)	-	(525,824)
Total comprehensive loss for the period	-		(525,824)	2,044,555	1,518,731	563	1,519,294
Issue of share capital	21,573	-	-	-	21,573	-	21,573
Balance as at 31 December 2012	**21,298,285**	**86,000**	**(419,010)**	**(18,219,452)**	**2,745,823**	**34,167**	**2,779,990**

The condensed statement of changes in equity is to be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Note	Consolidated 31 Dec 2013 $	31 Dec 2012 $
Cash flows from operating activities			
Receipts from customers		2,072,715	2,530,862
Payments to suppliers and employees		(2,212,234)	(2,530,220)
Interest received		3,359	6,016
Interest paid		(40,052)	(48,026)
Net cash (used in) operating activities		**(176,212)**	**(41,368)**
Cash flows from investing activities			
Payments for property, plant and equipment		(30,572)	(35,768)
Proceeds from sale of business, less cash disposed of	7	-	820,202
Net cash (used in)/provided by investing activities		**(30,572)**	**784,434**
Cash flows from financing activities			
Repayment of borrowings		(34,251)	(42,085)
Proceeds from shares and options		115,000	-
Net cash (used in) financing activities		**80,749**	**(42,085)**
Net decrease in cash held		**(126,035)**	**700,981**
Cash and cash equivalents at the beginning of the period		559,179	386,375
Effect of exchange rate fluctuations		(832)	(6,530)
Cash and cash equivalents at the end of the period		**432,312**	**1,080,826**

The condensed statement of cash flows is to be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Qanda Technology Ltd (the **Company**) is a company domiciled in Australia. Qanda Technology Ltd is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated interim financial report as at and for the half-year ended 31 December 2013 comprises the Company and its subsidiaries (together referred to as the **consolidated entity** or **Group**).

The annual financial report of the consolidated entity for the year ended 30 June 2013 is available upon request from the Company's registered office or may be viewed on the Company's website, www.qandatechnology.com.

2. STATEMENT OF COMPLIANCE

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the group as in the full financial report.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and considered together with any public announcements made by Qanda Technology Ltd during the half-year ended 31 December 2013 in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

3. BASIS OF PREPARATION

The interim financial statements have been prepared on the accruals basis and the historical cost basis. All amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

Going concern

These financial statements have been prepared on a going concern basis which assumes realising assets and extinguishing liabilities in the normal course of business. The Directors acknowledge that stakeholders may be concerned regarding the ability of the Group to continue as a going concern due to the Group having incurred from continuing operations a net loss of $881,841 during the half year (2012: loss of $199,255) and having an excess of current liabilities over current assets of $449,592 as at 31 Dec 2013 (as at Jun 2013: $136,576).

The excess of current liabilities over current assets is partly comprised of $698,859 of deferred income which does not represent an outflow of funds in normal circumstances. In addition, a further $324,019 is comprised of employee annual leave and long service leave, which do not necessarily represent immediate cash outflows.

The Directors are of the opinion that there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- The recent release of a substantially updated version of the Marketboomer business unit's web-based procurement platform, Purchase Plus, the results of which are having a positive impact on the Group;
- The acquisition of Drive My Car Rentals Pty Ltd presents opportunities for the Group to generate higher levels of earnings and cash flow for Qanda in the future from the growth of the DMCR business;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress; and

3. BASIS OF PREPARATION (cont'd)

- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will produce improved results.

Furthermore, the Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or debt finance. The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to improve the Group's performance as the business units emerge from the challenging trading environment over the past year.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should it not continue as a going concern.

However, these factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except for the following, in preparing this consolidated interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2013.

Impairment assessment of goodwill:

An impairment assessment in relation to goodwill recorded of $2,021,513 was completed. Goodwill acquired through business combinations and patents have been allocated to and are tested at the level of the Marketboomer cash generating unit, which is both an operating segment and a reportable segment for impairment testing.

The recoverable amount of the Marketboomer unit is determined based on a value-in-use calculation using cash flow projections as at 31 December 2013 based on financial budgets approved by management covering a five-year period. The forecast derived net present values ranging from $4,049,948 to $5,348,785 with a mid-point of $4,699,366.

The calculation of value-in-use for the Marketboomer unit was based on the following key assumptions:

- Future cash flows estimated based on past performance and expectations for the future, including planned entrances into new regions and securing of new or expansion of existing clients;
- A pre-tax, risk-adjusted discount rate of 21.3% having regard to the weighted average cost of capital of the Group; and
- Cash flows for the five-year period are extrapolated using a 2.5% growth rate for expenses, 3.5 % for revenue growth.

If any of the assumptions above were to significantly change this may have a material impact on the outcome of the value-in-use calculation. However, there were no reasonably possible changes in any of the key assumptions that would have caused the carrying amount of the intangibles allocated to the Marketboomer unit to exceed their recoverable amount.

5. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

6. SEGMENT INFORMATION

The Group had one reportable segment at the end of the period being the Marketboomer group of companies. The Webspy business unit was sold in November 2012 (see note 7). The Group has identified its segment based on the internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The Group now operates predominantly in one business segment being the provision of internet based procurement and materials management systems. Accordingly, under the management approach outlined above only one operating segment has been identified and no further disclosure is required in the interim financial statements.

The Group has not presented geographical information as the necessary information is not available and management believes the cost to develop such information would be excessive.

7. DISCONTINUED OPERATION

In November 2012, the Group entered into a share sale agreement with US-based Fastvue Inc, to divest its 100% interest in the WebSpy business unit comprising the Australian, US and UK Subsidiaries and the intellectual property of the WebSpy software on a going concern basis. The transaction settled on 12 November 2012, with the Group receiving consideration comprising immediate cash proceeds of $800,000, a further cash payment in relation to a net operating surplus adjustment of $128,564 as determined at the settlement date, of which all the proceeds have been received and up to a further $250,000 based on the following formula:

If, on each six (6) month anniversary following the Settlement Date (each a Half Yearly Date) the total revenue for the previous six months from the sale, licencing, renewal or upgrade of WebSpy products by any means whatsoever, equals or exceeds $525,000, then 35% of the portion of any revenue that exceeds $525,000 (exclusive of GST or sales taxes) shall be paid by the Purchaser to the Vendor within 14 days of the relevant six monthly period and shall continue in perpetuity until the total deferred consideration payable to the Vendor has been paid in full.

The Directors' best estimate for the amount receivable is $125,000. Since disposal date, the Directors have determined that the receivable is considered impaired and an allowance has been provided against the amount.

Total gain on disposal The amount attributable to discontinued operations is:	**Year ended 31 Dec 2013 $**	**Year ended 31 Dec 2012 $**
Profit after tax from discontinued operations (iv)	-	134,301
Gain on disposal (i)	-	2,110,072
	-	**2,244,373**

(i) Consideration received or receivable	**30 June 2013 $**
Cash	800,000
Net operating surplus adjustment	128,564
Contingent consideration component	125,000
Total disposal consideration	1,053,564
Net liabilities disposed of	1,056,508
Gain on disposal before income tax	2,110,072
Income tax expense	-
Gain on disposal after income tax	**2,110,072**
(ii) Net liabilities as at date of sale	
The carrying amounts of assets and liabilities as at the date of sale in November 2012 were:	
Cash and cash equivalents	77,513
Trade and other receivables	139,364
Property, plant and equipment	9,893
Trade and other payables	(192,407)
Deferred income	(480,860)
Employee provisions	(74,785)
Net liabilities	(521,282)
Exchange differences reclassified on disposal of business unit	(535,226)
Total	**(1,056,508)**

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

7. DISCONTINUED OPERATION (cont'd)

(iii) Net cash inflow on disposal	**30 June 2013**
The cash inflow on disposal is:	**$**
Cash consideration received	897,715
Net cash and cash equivalents disposed of	(77,513)
Net cash inflow on disposal	**820,202**

(iv) Financial performance and cash flow information

The financial performance and cash flow information presented for the year ended 31 Dec 2012 is for the period from 1 July 2012 until the date of disposal being 12 November 2012.

	Year ended 31 Dec 2013 $	**Year ended 31 Dec 2012 $**
Financial performance from discontinued operation		
Revenue	-	419,558
Expenses	-	(285,257)
Profit before tax from discontinued operations	-	134,301
Income tax expense	-	-
Profit after tax from discontinued operations	**-**	**134,301**
Cash flows from discontinued operation		
Net cash flow from operating activities		105,448
Net cash flow from investing activities	-	821,785
Net cash flow from financing activities	-	-
	-	**927,233**

8. OTHER LIABILITIES	**31 Dec 2013 $**	**30 Jun 2013 $**
Current		
Employee Termination Payable	183,241	202,810
Deferred income	698,859	437,092
	882,100	**639,902**
Non-Current		
Employee Termination Payable	32,153	39,272
	32,153	**39,272**

Deferred income consists of licence fees paid in advance.

9. PROVISIONS	**31 Dec 2013 $**	**30 Jun 2013 $**
Current		
Liability for employee benefits	140,778	130,860
Non-Current		
Liability for employee benefits	38,357	41,677

10. REDEEMABLE CONVERTIBLE NOTES	Maturity Date	31 Dec 2013	30 Jun 2013
Current		**$**	**$**
Convertible notes – Jayaych Holdings Pty Ltd	12 March 2014	75,000	75,000
Convertible notes – A.J. Brackin Pty Ltd	16 March 2014	100,000	100,000
Convertible notes – Simon Philip Wallace and Wiewrights Trustee Services No.4 Limited	Refer to note 11	-	276,810
Redeemable convertible notes total		175,000	451,810

11. ISSUED CAPITAL	31 Dec 2013	30 Jun 2013
	$	**$**
1,081,599,600 (30 June 2013: 779,099,600) fully paid ordinary shares	**21,700,272**	**21,298,285**

(a) Ordinary shares

The following movements in issued capital occurred during the six months ended 31 December:

	2013		2012	
	Number of Shares	**$**	**Number of Shares**	**$**
At beginning of period	779,099,600	21,298,285	713,706,375	21,276,712
Issued as per 2010 subscription agreement adjustment clause	-	-	40,000,000	-
Issued as per 2010 subscription agreement adjustment clause	-	-	20,000,000	-
Issue of shares at $0.004 each for services rendered	-	-	5,393,225	21,573
Issue of shares at $0.001 each, placement to a sophisticated investor	115,000,000	115,000	-	-
Conversion of convertible notes	187,500,000	286,987	-	-
At end of period	1,081,599,600	21,700,272	779,099,600	21,298,285

(b) Options

No options were issued during the period.

At the date of this report, the below unissued ordinary shares of the Company under option lapsed and no options were exercised during the period.

Class	Expiry Date	Exercise Price	Number of Options
Unlisted Options	12-Oct-13	$0.02	10,000,000
Unlisted Options	13-Oct-13	$0.02	5,000,000
Unlisted Options	1-Nov-13	$0.02	10,000,000

12. COMMITMENTS AND CONTINGENCIES

The changes to the commitments and contingencies disclosed in the most recent annual report are specified below. Other than the changes mentioned, all other commitments and contingencies remain consistent with those disclosed in the 2013 annual financial report.

Service commitments

At the reporting date the Group has no agreements in place for services that are provided on a month by month basis.

	31 Dec 2013	30 Jun 2013
	$	**$**
Within one year	-	25,881
After one year but not more than five years	-	-
	-	25,881

12. COMMITMENTS AND CONTINGENCIES (cont'd)

Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:

	31-Dec-13	30 Jun 2013
	$	$
Within one year	110,343	220,685
After one year but not more than five years	-	-
	110,343	220,685

Contingencies

The Group does not have any contingent liabilities at balance and reporting dates.

13. EVENTS SUBSEQUENT TO REPORTING DATE

(a) Acquisition of Drive My Car Rentals Pty Ltd

Shareholder approval was received on 10 January 2014 for the acquisition of a 100% interest in Drive My Car Rentals Pty Ltd (**DMCR**) which owns the DMCR business and its assets. Satisfaction of the following conditions precedent on or before 15 February 2014 was required:

(i) the consent and approval of the Qanda shareholders being obtained at a general meeting in accordance with the requirements of the Corporations Act and the ASX Listing Rules (including, but not limited to, where necessary, shareholder approval pursuant to section 611 (item 7) of the Corporations Act);

(ii) the Company becoming entitled to acquire 100% of the issued capital of DMCR as a result of the Company delivering an executed Offer of DMCR shares to each DMCR shareholder and each DMCR shareholder accepting the Offer by duly executing it;

(iii) all Class A Preference Shares being converted into DMCR shares;

(iv) receipt of all necessary regulatory and third party consents, waivers and approvals pursuant to an Implementation Agreement within 75 days of the date of execution of the Implementation Agreement;

(v) DMCR and the Company being satisfied on the date which is not later than 10 days after the satisfaction of the conditions precedent to the Implementation Agreement that there has been no material adverse effect to the business, operations or assets of each other since the date of this Agreement, with such satisfaction being evidenced in writing; and;

(vi) entry into all necessary deeds of assignment of intellectual property between those parties who are identified in the Implementation Agreement as key DMCR shareholders and all staff who are to be identified during the due diligence period and the Company, whereby all intellectual property rights outlined in the Implementation Agreement will be assigned to DMCR.

The Company is to issue as consideration to the DMCR vendors:

(i) 780,000,000 fully paid ordinary Shares; and

(ii) 260,000,000 deferred Shares subject to DMCR achieving an audited annual net profit before tax of at least $500,000 in any consecutive 12 month period in the 36 months following Settlement.

The conditions precedent having been met settlement of the acquisition was completed on 19 February 2014.

Shareholders also approved the appointment of Mr Adrian Bunter to the Company's Board of Directors and, as a result of completion of the acquisition Mr Bunter joined Qanda as a non-executive director.

(b) Issue of Shares

On 19 February 2014, 225,000,000 fully paid ordinary shares were issued in accordance with an adjustment clause contained in the subscription agreements entered into with sophisticated investors in relation to placements completed in March 2012. Shareholder approval for the issue of these shares was obtained at the Company's Extraordinary General Meeting held on 10 January 2014.

13. EVENTS SUBSEQUENT TO REPORTING DATE (cont'd)

(c) Entitlement Issue

As previously announced to the market, the Company will undertake a non-renounceable entitlement issue and a bonus option issue to shareholders. The prospectus in relation to these offers is expected to be lodged in early March 2014.

14. FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value.

DIRECTORS' DECLARATION

In the opinion of the Directors of Qanda Technology Ltd:

1. the financial statements and notes, set out on pages 4 to 14, are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and

   (b) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

2. 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 signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

Nathan Gyaneshwar
CEO/Managing Director

Dated at Sydney, New South Wales this 27th day of February 2014.

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Qanda Technology Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Qanda Technology Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2013, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 the consolidated entity's financial position as at 31 December 2013 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 the company, 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*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Accountants | Business and Financial Advisers

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 Qanda Technology Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss from continuing operations of $881,841 during the half-year (2012: loss of $199,255) and had an excess of current liabilities over current assets of $449,592 as at 31 December 2013 (30 June 2013: $136,576). These conditions, along with other matters as set forth in Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
27 February 2014