

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

Appendix 4E

Preliminary Final Report

Financial Year ended 30 June 2018

This information is provided under listing rule 4.3A for the year ended 30 June 2018 and includes comparative information for the year ended 30 June 2017.

Results for Announcement to the market

	Year ended 30 June 2018 \$	Year ended 30 June 2017 \$	Amount Change \$	% change
Revenue from ordinary activities	66,993,194	58,675,579	8,317,615	14%
Profit (Loss) for the period attributed to members	3,126,901	(1,709,064)	4,835,965	N/A
No dividends have been paid, declared or recommended by the Company during the year ended 30 June 2018.				

Net tangible assets per security

	As at 30 June 2018 cents	As at 30 June 2017 cents
Net tangible assets per ordinary share (excluding shares to be issued)	0.72	0.30



Quantum Energy Limited

And its controlled entities

A.B.N. 19 003 677 245

APPENDIX 4E

PRELIMINARY FINAL REPORT

YEAR ENDED 30 JUNE 2018

Quantum Energy Limited

APPENDIX 4E Preliminary Final Report

Review of Operations

Quantum Energy Limited (Quantum), trading internationally as Quantum Health Group is a leading medical equipment distributor and service provider of high technology medical IT solutions and equipment. Quantum also manufactures a range of energy efficient hot water systems for use in domestic, commercial and healthcare institutions. Quantum currently has subsidiaries operating in Australia, New Zealand, Korea, Thailand and China with a view to further expansion in Asia. Quantum represents leading global manufacturers including Philips, Samsung, IBA and Accuray specialising in oncology, nuclear medicine, radiology and women's healthcare markets, in addition to its own environmental division IP.

The Board of Directors are pleased to advise that Quantum has delivered an improved trading result consistent with our expectations for the year ended 30th June 2018 as follows:

Year	2018	2017
	\$'000	\$'000
Revenue	66,993	58,676
EBITDA	7,182	1,038

Quantum's trading results have improved significantly in all regions and divisions this financial year. Quantum has made significant investment in its international healthcare operations, resulting in stronger growth and building on the foundation for further expansion and exploring potential acquisitions in healthcare markets.

Quantum completed a restructuring of its environmental division during 2018 resulting in substantial changes to its existing sales and distribution business model. This restructure of Quantum's energy distribution business, has resulted in further one-time impairment costs reflected in the 2018 results. These strategic changes in operations have allowed Quantum to focus on the expansion of our growing healthcare division and facilitated the transformation of the existing energy business to be aligned with our core medical businesses with new healthcare-related energy products.

Financial position

The net assets of the consolidated group have increased to \$30,538,509 as at 30 June 2018. 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 gain per share for the current financial year was 0.30 cents as compared with a loss per share of 0.17 cents in the previous corresponding period. The diluted gain per share was 0.30 cents as compared with a loss per share of 0.17 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.

Audited Accounts

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



John Walstab
CEO/Managing Director
31st August 2018

Quantum Energy Limited

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	Note	2018 \$ 000	2017 \$ 000
Revenue from continuing activities	2	66,993	58,676
Cost of Sales		(35,066)	(33,606)
Employee benefits expense		(11,986)	(12,040)
Depreciation and amortisation expense – non-manufacturing		(501)	(405)
Advertising and promotion expenses		(657)	(394)
Finance costs	3	(1,371)	(1,277)
Legal fees		(84)	(78)
Research and development expenditure		(224)	(515)
Travel expenses		(1,377)	(1,198)
Motor vehicle expenses		(475)	(611)
Warranty expenses		(538)	(679)
Telephones & internet		(155)	(207)
Consultants		(623)	(278)
Freight & delivery expenses		(233)	(270)
Occupancy (rent) expenses		(957)	(1,463)
Insurance		(295)	(247)
Foreign exchange gain/(loss)		103	(26)
Fair value gain/(loss) on financial assets		48	(373)
Share of profit/ (loss) in associate		-	-
Restructuring costs		-	(406)
Provision for obsolete stock - environmental division		(1,489)	(1,727)
Provision for obsolete stock - other		(1,703)	(223)
Other expenses		(3,792)	(2,896)
Profit (loss) from continuing operations before income tax		5,618	(243)
Income tax (expense) credit		(1,031)	(498)
Net (Loss) profit after tax		4,587	(741)
Other comprehensive income			
Items that may be reclassified to profit or loss;			
Translation of foreign subsidiaries		592	(199)
Actuarial gain / (loss)		(147)	193
Total comprehensive income/(loss) for the year		5,032	(747)
Profit/(loss) for the year is attributable to:			
Non-controlling interests		1,460	968
Owners of the parent		3,127	(1,709)
		4,587	(741)
Total comprehensive income (loss) for the year is attributable to:			
Non-controlling interests		1,624	1,031
Owners of the parent		3,408	(1,778)
		5,032	(747)
Earnings /(loss) per share for loss from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings/(loss) per share (cents per share)	4	0.30	(0.17)
Diluted earnings/(loss) per share (cents per share)	4	0.30	(0.17)

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Quantum Energy Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$ 000	2017 \$ 000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	5,424	2,119
Trade and other receivables		11,822	14,219
Inventories		12,684	11,969
Financial assets		497	909
Other current assets		4,022	2,425
TOTAL CURRENT ASSETS		34,449	31,641
NON-CURRENT ASSETS			
Trade and other receivables		-	111
Property, plant and equipment		1,548	3,760
Investment property		2,444	-
Deferred tax assets		2,632	2,278
Intangible assets	8	20,127	20,127
Financial assets		8,272	6,032
Other		777	535
TOTAL NON-CURRENT ASSETS		35,800	32,843
TOTAL ASSETS		70,249	64,484
CURRENT LIABILITIES			
Trade and other payables		19,298	16,838
Borrowings		8,922	10,659
Current tax liabilities		1,561	846
Short term provisions		1,679	1,006
TOTAL CURRENT LIABILITIES		31,460	29,349
NON-CURRENT LIABILITIES			
Trade and other payables		632	1,688
Borrowings		5,888	6,400
Employee benefits		198	175
Defined benefit plans		1,532	1,365
TOTAL NON-CURRENT LIABILITIES		8,250	9,628
TOTAL LIABILITIES		39,710	38,977
NET ASSETS		30,539	25,507
EQUITY			
Issued Capital	6	86,429	83,789
Reserves		1,587	1,306
Retained Earnings (accumulated losses)		(60,191)	(61,460)
Equity attributable to owners of Quantum Energy Limited		27,825	23,635
Non-controlling interests		2,714	1,872
TOTAL EQUITY		30,539	25,507

The above Statement of financial position should be read in conjunction with the accompanying notes.

Quantum Energy Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Attributable to the members of Quantum Energy Limited							Attributable to non-controlling interests	Total	
	Ordinary Share Capital	Shares to be issued	Un-distributable Profits Reserve	Exchange Translation Reserve	Actuarial Gain Reserve	Other Reserves	Retained Profits (Losses)	Total		
	\$ 000		\$ 000	\$ 000	\$ 000	\$'000	\$ 000	\$ 000	\$ 000	
Consolidated										
Balance at 1 July 2016	83,789	-	504	871	-	-	(59,751)	25,413	841	26,254
Profit / (Loss) for the year	-	-	-	-	-	-	(1,709)	(1,709)	968	(741)
Other comprehensive income for the year	-	-	-	(222)	153	-	-	(69)	63	(6)
Balance at 30 June 2017	83,789	-	504	649	153	-	(61,460)	23,635	1,872	25,507
Balance at 1 July 2017	83,789	-	504	649	153	-	(61,460)	23,635	1,872	25,507
Profit / (Loss) for the year	-	-	-	-	-	-	3,127	3,127	1,460	4,587
Other comprehensive income for the year	-	-	-	428	(147)	-	-	281	164	445
Shares Issued / to be issued	1,440	1,200	-	-	-	(1,858)	-	782	(782)	-
Transfer of Reserves	-	-	-	-	-	1,858	(1,858)	-	-	-
Balance at 30 June 2018	85,229	1,200	504	1,077	6	-	(60,191)	27,825	2,714	30,539

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Quantum Energy Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$ 000	2017 \$ 000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		75,489	57,807
Payments to suppliers and employees		(63,836)	(57,273)
Interest received		-	27
Finance costs		(597)	(587)
Income tax paid		(1,306)	(211)
Net cash provided by (used in) operating activities		<u>9,750</u>	<u>(237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		682	149
Purchase of property, plant and equipment		(874)	(28)
Payments for acquisition of investment - QHC Thailand and QHC Korea		(1,649)	(526)
Payments for financial assets		(2,909)	(1,107)
Proceeds from sale of financial assets		1,536	2,767
Net cash provided by (used in) investing activities		<u>(3,214)</u>	<u>1,255</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances / (Repayment) of borrowings		(1,576)	(902)
Net cash provided by (used in) financing activities		<u>(1,576)</u>	<u>(902)</u>
Net increase/(decrease) in cash held		4,960	116
Cash at beginning of period		464	348
Cash at end of period	5	<u>5,424</u>	<u>464</u>

The accompanying notes form part of these financial statements

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2017 annual financial report.

NOTE 2: REVENUE

	2018	2017
	\$000	\$000
Revenue		
Sale of goods	50,979	41,877
Services revenue	14,370	15,748
	65,349	57,625
Other Revenue		
Interest receivable- other entities	4	27
Interest receivable – related parties	304	374
Dividend from unrelated parties	10	10
Other revenue	1,326	640
	1,644	1,051
Total Revenue	66,993	58,676

NOTE 3: PROFIT /(LOSS) FOR THE YEAR

Expenses		
Finance costs		
- External	600	607
- Related parties	771	670
Total finance costs	1,371	1,277

NOTE 4: EARNINGS PER SHARE

Net profit/ (loss)		
Earnings used to calculate basic EPS	3,127	(1,709)
Earnings used to calculate diluted EPS	3,127	(1,709)
	No.	No.
(a) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,033,308,291	1,018,308,291
(b) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	1,045,808,291	1,018,308,291

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

NOTE 5: CASH AND CASH EQUIVALENTS

	2018	2017
	\$000	\$000
Cash as shown in the Consolidated Statement of Financial Position is reconciled to cash at the end of the financial year shown in the Consolidated Statement of Cash Flows		
Cash at bank and in hand	5,424	2,119
Bank overdraft	-	(1,655)
	5,424	464

NOTE 6: ISSUED CAPITAL AND SHARES TO BE ISSUED

	2018	2017	2018	2017
	No.	No.	\$000	\$000
CURRENT				
Fully paid ordinary shares	1,078,308,291	1,018,308,291	83,789	83,789
Movements:				
At the beginning of the year	1,018,308,291	1,018,308,291	83,789	83,789
Share issued	60,000,000	-	1,440	-
Shares to be issued	50,000,000	-	1,200	-
At the end of the year	1,128,308,291	1,018,308,291	86,429	83,789

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

NOTE 7: SEGMENT REPORTING

	Environmental Services		Medical		Investments		Unallocated		Elimination		Consolidated-Continuing Operations		Consolidated	
	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue - Australia	9,281	9,623	16,927	12,108	-	-	304	373	(8,398)	-	18,114	22,104	18,114	22,104
Total revenue- China	6,597	174	-	-	-	-	4	-	-	-	6,601	174	6,601	174
Total revenue - Thailand	-	-	10,232	7,985	-	-	-	-	-	-	10,232	7,985	10,232	7,985
Total revenue - Korea	-	-	32,046	28,413	-	-	-	-	-	-	32,046	28,413	32,046	28,413
Total revenue	15,878	9,797	59,205	48,506	-	-	308	373	(8,398)	-	66,993	58,676	66,993	58,676
Profit/(Loss) after income tax - Australia	(1,107)	(3,033)	3,698	1,798	-	-	(723)	(604)	218	(60)	2,086	(1,899)	2,086	(1,899)
Profit/(Loss) after income tax - China	(2,065)	(1,728)	-	-	-	-	(74)	-	-	-	(2,139)	(1,728)	(2,139)	(1,728)
Profit/(Loss) after income tax - Thailand	-	-	1,746	1,184	-	-	-	-	-	-	1,746	1,184	1,746	1,184
Profit/(Loss) after income tax - Korea	-	-	2,894	1,702	-	-	-	-	-	-	2,894	1,702	2,894	1,702
Total profit / (loss) after income tax	(3,172)	(4,761)	8,338	4,684	-	-	(797)	(604)	218	(60)	4,587	(741)	4,587	(741)
	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun	30 Jun
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Segment assets - Australia	2,090	4,242	36,731	28,446	-	-	(2,384)	2,217	(4,399)	-	32,038	34,905	32,038	34,905
Segment assets - China	1,789	1,926	-	-	-	-	-	-	-	-	1,789	1,926	1,789	1,926
Segment assets - Thailand	-	-	7,314	6,156	-	-	-	-	-	-	7,314	6,156	7,314	6,156
Segment assets - Korea	-	-	29,108	21,658	-	-	-	-	-	-	29,108	21,658	29,108	21,658
Total segment assets	3,879	6,168	73,153	56,260	-	-	(2,384)	2,217	(4,399)	-	70,249	64,645	70,249	64,645
Segment liabilities - Australia	7,973	2,954	5,101	10,927	-	-	13,743	6,483	(11,898)	-	14,919	20,364	14,919	20,364
Segment liabilities - China	1,459	1,690	-	-	-	-	-	-	-	-	1,459	1,690	1,459	1,690
Segment liabilities - Thailand	-	-	1,993	2,188	-	-	-	-	-	-	1,993	2,188	1,993	2,188
Segment liabilities - Korea	-	-	21,339	14,896	-	-	-	-	-	-	21,339	14,896	21,339	14,896
Total segment liabilities	9,432	4,644	28,433	28,011	-	-	13,743	6,483	(11,898)	-	39,710	39,138	39,710	39,138

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

NOTE 8: GOODWILL

	2018	2017
	\$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	5,102
- Quantum Healthcare Thailand Co., Ltd.	2,231	2,231
- Hunex Korea Co., Ltd.	839	839
Heat pump Technologies	144	144
	<u>20,127</u>	<u>20,127</u>