

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

#### Name of entity

Mejority Capital Limited

#### ABN

52 106 760 418

#### Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	601	2,060
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(594) <sup>1</sup>	(1,305) <sup>1</sup>
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(234) <sup>1</sup>	(635) <sup>1</sup>
(f) administration and corporate costs	(126) <sup>1</sup>	(1,012) <sup>1</sup>
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	17
1.5 Interest and other costs of finance paid	(4)	(23)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Rental bond (paid)/returned	(139)	(139)
1.8 Net client monies received/(returned)	494	(1,157)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2</b>	<b>(2,194)</b>

<sup>1</sup>These operating cash outflows include an aggregate \$404,000 for the quarter (\$1,333,000 year to date) relating to the Hong Kong entity acquired in May 2016 and classified across 1.2 (b)(e) and (f).

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	(46)
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Deposit held – Hong Kong divesture	-	175
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>125</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,905 <sup>2</sup>	3,959
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2	(2,194)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	125
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(87)	(71)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,819<sup>2</sup></b>	<b>1,819<sup>2</sup></b>

<sup>2</sup>The opening and closing quarter cash balances include cash of \$1,409,000 and \$1,350,000 respectively. These relate to a discontinued operation – MEJority Securities Limited (HK) - pending final sale settlement. On 14 April 2017 and subsequent to the end of the quarter, the 2<sup>nd</sup> tranche sale consideration of HKD\$6.02 Million (~A\$1.0 M) was received.

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	469	495
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Cash from discontinued operation	1,350	1,409
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,819</b>	<b>1,904</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
76
-

Director salaries and fees

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Represents an Australian Commercial property loan, with security held over the property by National Australia Bank. The property was sold during the current March 2017 quarter for \$820,000 (before selling costs), and is scheduled to settle on 2 May 2017. This will increase the Company's cash at bank by approximately \$370,000.

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

448

446

-

-

-

-

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Research and development

-

9.2 Product manufacturing and operating costs

400

9.3 Advertising and marketing

-

9.4 Leased assets

-

9.5 Staff costs

150

9.6 Administration and corporate costs

175

9.7 Other (provide details if material)

-

**9.8 Total estimated cash outflows**

**725**

**10. Acquisitions and disposals of  
business entities  
(items 2.1(b) and 2.2(b) above)**

**Acquisitions**

**Disposals**

10.1 Name of entity

-

-

10.2 Place of incorporation or  
registration

-

-

10.3 Consideration for acquisition or  
disposal

-

-

10.4 Total net assets

-

-

10.5 Nature of business

-

-

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
Director & Company secretary

Date: 30 April 2017

Print name: **Simon Lill**

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.