



ABN 27 009 259 876

## Rights Issue Offer Document

For a renounceable pro-rata rights issue by **Q Technology Group Limited** to Eligible Shareholders of nine (9) New Shares for every four (4) Shares held on the Record Date at an issue price of \$0.015 per New Share.

The Offer closes at **5.00 pm** (AEDT) on **23 January 2019**.

**The Rights Issue is underwritten to the amount of \$1.3 million by Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA and Spanday Pty Ltd (ACN 008 267 490).**

### **Important Notice**

This is an important document and requires your immediate attention. You should read this document in its entirety before making any investment decision. If you are in any doubt about what to do, please consult your professional adviser.

This document is not a prospectus or other form of disclosure document. It does not contain all of the information that an investor may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this document.

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## **IMPORTANT INFORMATION**

This Rights Issue Offer Document (the **Offer Document**) has been prepared by Q Technology Group Limited (ABN 27 009 259 876) (**Q Technology** or the **Company**) and is dated 31 December 2018.

This Offer Document is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

The Offer contained in this Offer Document is being made without disclosure in accordance with section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2018/84.

In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX, and consult their professional advisors before deciding to accept the Offer.

The Offer Document does not constitute financial product advice and has been prepared without taking into account Eligible Shareholder's investment objectives or financial circumstances. The Offer Document does not purport to contain all the information that Eligible Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document. As at the date of this Offer Document, the Company has complied with:

- (a) the provisions of Chapter 2M of the Corporations, as they apply to the Company; and
- (b) section 674 of the Corporations Act.

The Offer is made only to those Shareholders on the Record Date and who have registered addresses in Australia or New Zealand (**Eligible Shareholders**).

Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether Q Technology is a suitable investment for them in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **This is an important document**

It is important that you carefully read this Offer Document in its entirety before deciding to invest in Q Technology and, in particular, that you consider the risk factors that could affect the financial performance of Q Technology. In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in Q Technology. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by Q Technology in connection with the Offer. Neither Q Technology nor any other person warrants the future performance of Q Technology or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

## **Future performance and forward looking statements**

Applicants should note that the past share price performance of Q Technology provides no guidance as to its future share price performance. Any financial information provided in this Offer Document is for illustrative purposes only and is not represented as being indicative of Q Technology's future financial performance.

Any forward looking statements in this Offer Document are based on Q Technology's current expectations about future events. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Q Technology and its Directors, which could cause actual results, performance and achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Document.

## **Excluded Information**

As at the date of this Offer Document, the Company is not aware of any excluded information of the kind that would require disclosure in this Offer Document pursuant to sections 708AA(8) and (9) of the Corporations Act.

## **Ineligible shareholders and appointment of nominee**

The Offer contained in this Offer Document is only an offer to persons (including individuals and corporate entities) with registered addresses in Australia or New Zealand. The Offer is not extended to, and no New Shares are offered or will be issued to, persons with registered addresses outside Australia or New Zealand (**Ineligible Shareholders**).

Q Technology has determined, pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those jurisdictions.

Q Technology has appointed Vested Equities Pty Ltd (AFSL 478987) (**Nominee**) as nominee for the purposes of:

- (a) ASX Listing Rule 7.7.1(c) arrange for the sale of the Entitlements that would have been given to those holders Ineligible Shareholders; and
- (b) section 615 of the Corporations Act to sell the Entitlements which would otherwise have been available to Ineligible Shareholders had they been eligible to participate in the Rights Issue.

The Company will arrange for the proceeds of sale of any Entitlements (if any), net of expenses, to be distributed to Ineligible Shareholders in proportion to their entitlements at the Record Date.

In the event that the Entitlements of Ineligible Shareholders cannot be sold, or are otherwise allowed to lapse, any New Shares that could have potentially been issued in respect of those Entitlements, form part of the Shortfall Facility, and will be dealt with in accordance with the terms of this Offer.

Neither Q Technology nor the Nominee will be liable for the failure to sell the securities or the failure to sell the securities at any particular price. If there is no viable market for the securities, the Entitlements of Ineligible Shareholders will be allowed to lapse. There is also no guarantee that any proceeds will be realised from the sale of the securities that would otherwise have been offered to Ineligible Shareholders.

## **Foreign jurisdictions and restrictions on the distribution of this Offer Document**

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this

Offer Document and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Neither this Offer Document nor the accompanying Entitlement and Acceptance Form may be sent or passed to persons outside Australia or New Zealand or otherwise distributed outside Australia or New Zealand.

In particular, the Offer has not been, and will not be, registered under the *Securities Act of 1933* (US) or the securities laws of any state of the United States and is not being made in the United States or to persons resident in the United States. Without limitation, neither this Offer Document nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States.

The New Shares being offered to residents of New Zealand under this Offer Document are offered in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This Offer Document and the Entitlement and Acceptance Form have not been registered, filed or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

#### **Notice to nominees and custodians**

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that trading or taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. The trading of an Entitlement or return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **Privacy Act**

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly, or by the Company's share registry). The Company collects, holds, and uses that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder, and carry out administration.

The information may be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct, and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so, at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act, and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

#### **Defined terms and abbreviations**

Terms and abbreviations used in this Offer Document are defined in section 4 of this Offer Document.

#### **Governing law**

This Offer Document, the Offer and the contracts formed on acceptance of the Applications are governed by the laws of Victoria, Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

**Queries**

If you have not received a personalised Entitlement and Acceptance Form or have any queries on how to complete the Entitlement and Acceptance Form, please contact Q Technology's share registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

## KEY OFFER DETAILS

### Key data relating to the Offer

The Offer to Eligible Shareholders	9 New Shares for every 4 Shares held on the Record Date
Issue Price per New Share	\$0.015
Discount of the Issue Price to the volume weighted average market price calculated over the 60 days prior to, and ending on, the date of the Offer.	\$0.0023 per share
Maximum number of New Shares to be offered under the Offer	103,988,873
Proceeds from the Offer (excluding costs associated with the Offer)	\$1,559,833 <sup>1</sup>
Total number of Shares on issue following the Offer (assuming full subscription)	149,869,108

### Key Dates

Announcement of the Offer	
Cleansing Notice in respect of Rights Issue, Offer Booklet and Appendix 3B lodged with ASX	Monday, 31 December 2018
Notice to Shareholders	Thursday, 3 January 2019
Ex Date and rights trading commences	Tuesday, 8 January 2019
Record Date	7.00 pm (AEDT) on Wednesday, 9 January 2019
Dispatch of Offer Document and Entitlement and Acceptance Forms	Monday, 14 January 2019
Rights trading ends	5.00 pm (AEDT) on Wednesday, 16 January 2019
Last day to extend Offer closing date	Friday, 18 January 2019
<b>Closing Date</b>	<b>5.00pm (AEDT) on Wednesday, 23 January 2019</b>
Shortfall notification date	Tuesday, 29 January 2019
Allotment of New Shares	Thursday, 31 January 2019
Trading of New Shares expected to commence on ASX	Friday, 1 February 2019

The timetable above is indicative only and may be subject to change. Q Technology reserves the right to amend any or all of these dates and times, subject to the Corporations Act, the ASX Listing Rules, and any other applicable laws. In particular, Q Technology reserves the right, to extend the

<sup>1</sup> These figures are approximate only and are subject to rounding.

Closing Date or to withdraw the Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the allotment of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.



## ANSWERS TO KEY QUESTIONS

Question	Answer
What is the Offer?	9 New Shares for every 4 Shares held on the Record Date at an Issue Price of \$0.015 per New Share.
Who can participate in the Offer?	Only Eligible Shareholders can participate in the Offer. Eligible Shareholders are persons with registered addresses in Australia or New Zealand and who are registered holders of Shares at 7:00 pm (AEDT) on the Record Date.
How much do I have to pay to participate in the Offer?	The Issue Price for each New Share is \$0.015. You may subscribe for all, or part, of your Entitlement.
What are the terms of the New Shares?	The New Shares issued under the Offer will rank equally with all existing Shares.
What is the purpose of the Offer?	<p>The purpose of the Offer is to raise up to approximately \$1,559,833 which will be used for:</p> <ul style="list-style-type: none"><li>(a) working capital of the Company; and</li><li>(b) to deleverage the balance sheet of the Company.</li></ul> <p>More specifically, the application of funds received will be a combination of:</p> <ul style="list-style-type: none"><li>(a) repayment of approximately \$900,000 in outstanding loans;</li><li>(b) routine operational purchases of new inventory for customer orders;</li><li>(c) payment of regular operating expenses such as salaries and occupancy costs;</li><li>(d) payments to existing creditors; and</li><li>(e) payments for specific new products, however this is dependent on the timing of release.</li></ul>
Is the Offer underwritten?	<p>The Offer is partially underwritten by:</p> <ul style="list-style-type: none"><li>(a) Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA; and</li><li>(b) Spanday Pty Ltd.</li></ul> <p>Details regarding the Underwriting Agreement are set out in Section 3.1.</p>
Can I apply for shares in excess of my Entitlement?	<p>Yes. Eligible Shareholders who take up their full Entitlement under the Offer may apply for more New Shares than the number shown on their Entitlement and Acceptance Form.</p> <p>Applications for Additional Shares may be considered if a Shortfall under the Offer exists. Additional Shares will be issued to Eligible Shareholders at the discretion of</p>

	<p>the Directors. There is no guarantee that you will receive Additional Shares.</p>
<p>What are the risks associated with applying for New Shares under the Offer?</p>	<p>Any investment in Q Technology involves general risks associated with any investment in shares, including that the price of the New Shares may rise or fall.</p> <p>There are also a number of risk factors, both specific to Q Technology and of a general nature, which may affect the future operating and financial performance of Q Technology and the value of an investment in Q Technology. These specific risks include, but are not limited to, acquisition risks, business risks, increased or new competition, funding, loss of key management, loss or changes of distribution rights to key suppliers, intellectual property protection rights, technology risk generally, foreign exchange movements, acquisitions and other strategic investments as well as the risk of future financings.</p> <p>See Section 1.12 for further information regarding the risks associated with investing in the Company.</p>
<p>What are my options?</p>	<p>You may:</p> <ul style="list-style-type: none"> <li>(a) take up all, or part, of your Entitlement;</li> <li>(b) take up all of your Entitlement and apply for Additional Shares; or</li> <li>(c) trade all, or part, of your Entitlement on the ASX; or</li> <li>(d) do nothing and allow all of your Entitlement to lapse, in which case the New Shares comprising your Entitlement will form part of the Shortfall Facility, and will be dealt with in accordance with the terms of this Offer.</li> </ul>
<p>How do I accept my Entitlement?</p>	<p>If you are an Eligible Shareholder, and you wish to subscribe for all or some of the New Shares making up your Entitlement, you must complete the Entitlement and Acceptance Form and lodge it together with a cheque or payment through BPAY® for the Application Money.</p> <p>Please refer to section 2 for further details on how to accept your Entitlement.</p> <p>If you have not received an Entitlement and Acceptance Form, please call Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).</p>
<p>Can I sell or transfer my Entitlement?</p>	<p>Yes. The Offer is renounceable and, accordingly, those Eligible Shareholders who do not wish to exercise all or a portion of their Entitlements may sell their Entitlements on ASX.</p> <p>Rights trading is scheduled to commence on ASX on 8 January 2019 and cease on 16 January 2019.</p> <p>If you do not take up your Entitlement or dispose of your Rights to Shares under the Offer by the Closing Date, the Offer to you will lapse. The New Shares in your</p>

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	Entitlement that are not taken up by you, or any person that you dispose of your Rights to, will form part of the Shortfall.
How will the Shortfall be allocated?	<p>Unless otherwise agreed between the Company and the Underwriters, if there is a Shortfall, the Company will allocate Shortfall as follows:</p> <ul style="list-style-type: none"><li>(a) to each Eligible Shareholder who has applied for Additional Shares under the Offer in accordance with its allocation policy; and</li><li>(b) if following the allocation in paragraph (a) above there remains a Shortfall, the remaining Shortfall will be allocated to the Underwriters up to \$1,300,000 of New Shares in accordance with the Underwriting Agreement.</li></ul> <p>See Section 1.9 for further information regarding the Company's allocation policy in respect of Additional Shares applied for under the Shortfall Facility.</p>
How can I obtain further information?	Q Technology encourages you to seek advice from your financial or other professional adviser in respect of the Offer.

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# **1 THE OFFER AND ELIGIBILITY**

## **1.1 The Offer**

Q Technology is offering Eligible Shareholders the opportunity to subscribe for nine (9) New Shares in Q Technology for every one (4) Shares held on 7.00PM (AEDT) on the Record Date at an Issue Price of \$0.015 per New Share, to raise approximately \$1,559,833 (before costs).

Based on the number of Shares on issue as at the date of this Offer, a maximum of approximately 103,988,873 New Shares will be issued pursuant to this Offer.

## **1.2 Your Entitlement**

The number of New Shares to which you are entitled to subscribe for is shown on the enclosed Entitlement and Acceptance Form. Fractional Entitlements have been rounded up to the nearest whole Share and holdings on different registers or sub-registers will not be aggregated to calculate entitlements.

You may also wish to apply for additional New Shares under the Shortfall facility set out in section 1.9.

All of the New Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

## **1.3 Issue Price**

The Issue Price payable for each New Share is \$0.015, being a discount of \$0.0023 to the volume weighted average market price calculated over the 60 days prior to, and ending on, the date of the Offer.

Eligible Shareholders will not be obliged to pay brokerage or other fees in respect of New Shares acquired under the Offer, although the Company will pay certain professional and other fees to third parties (please refer to section 3.4 below).

Eligible Shareholders should note that the market price of Shares may rise and fall between the date of this Offer and the date when New Shares are allotted under the Offer. Accordingly, the price you pay per New Share pursuant to this Offer may be either higher or lower than the market price of Shares at the time of this Offer or at the time the New Shares are allotted under this Offer.

Q Technology recommends that you monitor the price of Shares, which can be found in the financial pages of major Australian metropolitan newspapers, or on the Australia Securities Exchange website at [www.asx.com.au](http://www.asx.com.au) (ASX code: QTG).

## **1.4 Eligibility to participate in the Offer**

A person will be eligible to participate in the Offer if:

- (a) the person was a registered holder of Shares at 7:00pm (AEDT) on the Record Date; and
- (b) the person's registered address is in Australia or New Zealand.

## **1.5 Shareholders outside Australia and New Zealand**

Q Technology has determined, pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with

the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those jurisdictions.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that taking up or trading an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction.

## **1.6 Ineligible Shareholders and appointment of Nominee**

All shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Rights Issue.

Q Technology has appointed Vested Equities Pty Ltd (AFSL 478987) (**Nominee**) as the Nominee for the purpose of section 615 of the *Corporations Act 2001 (Cth)* (the **Act**) and ASX Listing Rule 7.7.1(c) to sell any Entitlement which would otherwise have been made available to Ineligible Shareholders had they been eligible to participate in the Rights Issue. The Nominee will be paid a fee by the Company in respect of its role as Nominee.

The Nominee will arrange the sale of the Entitlement which would have been offered to the Ineligible Shareholders. The Company will arrange for the proceeds of sale of any Entitlements (if any), net of expenses, to be distributed to Ineligible Shareholders in proportion to their entitlements as at the Record Date.

There is no guarantee that any proceeds will be realised from the sale of Entitlements that would otherwise have been offered to Ineligible Shareholders.

## **1.7 Closing Date**

The Offer is scheduled to close on **5.00pm (AEDT) on Wednesday, 23 January 2019**. Please refer to section 2 below for details on how to accept your Entitlement.

Please note that Q Technology reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend the Closing Date of the Offer. Any extension of the Closing Date will have a consequential effect on the date for the allotment of New Shares.

## **1.8 Trading of Entitlements**

Entitlements are renounceable, which means that Eligible Shareholders who do not wish to exercise all or a portion of their Entitlements may choose to trade their Entitlements on ASX.

Eligible Shareholders may be obliged to pay brokerage or other fees in respect of the trading of its Entitlements under the Offer, Trading of Entitlements is scheduled to commence on ASX on 8 January 2019 and cease on 16 January 2019.

See section 2.4 for further information regarding how Entitlements may be traded on ASX. In the event that you do not trade or take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

## **1.9 Shortfall Facility**

Subject to the Corporations Act and the requirements of the ASX Listing Rules, Eligible Shareholders who subscribe for their full Entitlement may apply for more New Shares than the number shown on their Entitlement and Acceptance Form. That is, those Shareholders may apply for Additional Shares.

The issue price of each Additional Shares will be \$0.015, being the same price for New Shares under the Offer.

Applications for Additional Shares may be considered if a Shortfall exists. Unless otherwise agreed between the Company and the Underwriters, if a Shortfall exists, the Company will allocate the Shortfall as follows:

- (a) to each Eligible Shareholder who has applied for Additional Shares under the Offer in accordance with its below allocation policy; and
- (b) if following the allocation in paragraph (a) above there remains a Shortfall, the remaining Shortfall will be allocated to the Underwriters up to \$1,300,000 of New Shares in accordance with the Underwriting Agreements.

Additional Shares will be issued to Eligible Shareholders at the sole discretion of the Directors, however, in any event, the Company has adopted an allocation policy in respect of Additional Shares applied for under the Shortfall Facility, whereby:

- (c) No Eligible Shareholder (other than the Underwriters pursuant to the Underwriting Agreements) will be allotted Additional Shares under the Rights Issue to the extent that:
  - (i) such allotment would result in that person acquiring a relevant interest exceeding 20% of the issued share capital of the Company on a post issue basis; or
  - (ii) where that person already holds a relevant interest exceeding 20% of the issued share capital of the Company, such allotment would result in that person increasing their relevant interest, other than as a result of accepting their Entitlement.
- (d) The directors of the Company, in allocating Additional Shares under the Shortfall Facility, will do all things reasonably necessary to allocate Additional Shares on a basis that mitigates any control implications on the Company.

There is no guarantee that you will receive Additional Shares. In particular, the Directors may allocate to an Eligible Shareholder a lesser number of Additional Shares than the Eligible Shareholder applied for, or reject any Application for Additional Shares. If the number of Additional Shares allotted to an Eligible Shareholder is less than the number applied for by that Eligible Shareholder, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

If the Directors decide to issue Additional Shares, the Additional Shares will be allotted at the same time as the New Shares under the Offer are allotted and in any event within 3 months of the Closing Date.

#### **1.10 Allotment of New Shares and Additional Shares**

Q Technology has applied for quotation of the New Shares on ASX. Allotment of the New Shares is expected to take place on Friday 1 February 2019.

No issue of New Shares or any Additional Shares will be made unless permission is granted for quotation of the New Shares and any Additional Shares on ASX.

Applications Monies will be held in trust for applicants until New Shares and any Additional Shares are allotted. Interest earned on Applications Monies will be for the benefit of Q Technology and will be retained by Q Technology irrespective of whether New Shares or any Additional Shares are issued.

Trading of New Shares will, subject to ASX approval, occur on or about the date specified in the timetable.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their Holding Statement is at the Applicant's own risk.

### **1.11 Rights attaching to New Shares**

New Shares and any Additional Shares will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements at the date they are issued.

### **1.12 Risks**

Any investment in Q Technology involves general risks associated with any investment in shares, including that the price of the New Shares may rise or fall.

There are also a number of risk factors, both specific to Q Technology and of a general nature, which may affect the future operating and financial performance of Q Technology and the value of an investment in Q Technology. Before deciding to invest in Q Technology, you should carefully consider any risk factors applicable to your investment.

These specific risks include, but are not limited, to:

(a) *Future financing*

Q Technology may be required to raise additional equity or debt capital to finance its activities in the future. There can be no assurance that Q Technology will be able to raise that finance on acceptable terms or in a timely manner.

Any additional equity financing will dilute shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If Q Technology is unable to obtain additional financing as needed, Q Technology may be required to reduce the scope of its activities.

(b) *Currency risk*

Expenditures in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. Any payment obligations of Q Technology in foreign currencies may exceed the budgeted expenditure if there are adverse currency fluctuations against the Australian dollar. Further, margins of the Q Technology may be adversely affected by currency fluctuations where products are purchased and supplied in different foreign currencies.

(c) *Operating risks*

The operations of Q Technology may be affected by various factors, including (without limitation) contractual disputes, disruptions, supply shortages and labour conditions where the Company provides services.

(d) *Regulatory changes*

Q Technology and many of its products that are sold are regulated by various national and local regulations. Changes in those regulations could result in additional costs, seizures, confiscations, recall or fines, any of which could prevent Q Technology from development and distribution of its products.

(e) *Reliance on key personnel*

Q Technology currently employs a number of key management personnel, and Q Technology's future depends on retaining and attracting suitably qualified personnel. The loss of key personnel could adversely affect Q Technology and its activities. Q Technology's success depends, in part, on its ability to identify, attract, motivate and

retain suitably qualified management personnel. Competition for qualified staff is strong, and the inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Q Technology's development efforts or business development and could materially adversely affect the Company's turnaround plans and operating results.

Q Technology has, as far as legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with Q Technology. Despite these measures, however, there is no guarantee that Q Technology will be able to attract and retain suitably qualified personnel.

(f) *Reliance on third parties*

Q Technology may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that Q Technology will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(g) *External suppliers*

Q Technology relies on a number of external suppliers for the provision of its products. Q Technology notes that many external suppliers can appoint other distributors or cancel existing agreements with notice. There can be no assurance given that the failure of an external supplier(s) will not adversely affect the business of Q Technology.

The Group's short-term growth is dependent upon the Group engaging at least two new external suppliers within 6 months of the date of this Offer Document. While negotiations with potential external suppliers are progressing well, there is no guarantee that the Group will enter into formal distribution agreements necessary extend the product range of the Company and to facilitate the desired growth.

(h) *Competition*

The market in which Q Technology operates within is competitive, and include companies with greater financial, technical, human, research and development and marketing resources than Q Technology. As a result, Q Technology's current and future technologies and products may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

(i) *Forecasts*

The Directors consider that it is not possible to accurately predict the future revenues or profitability of Q Technology's business or whether any revenues or profitability will eventuate. The business of Q Technology is dependent upon a number of factors and many of these factors are outside the control of Q Technology. Consequently Q Technology and the Directors do not make any forecast or representation in relation to the Q Technology's future financial position or performance.

(j) *Unforeseen expenditure*

Q Technology may need to incur unforeseen expenditure. Although Q Technology is not currently aware of any additional expenditure required, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of Q Technology.



(k) *Litigation risk*

Legal proceedings may arise from time to time in the course of Q Technology's business and Q Technology cannot preclude the possibility that litigation may be brought against it, or that Q Technology may be impelled to initiate litigation against other parties in order to protect its legal rights. Litigation involves considerable cost, uncertain outcomes and possibly adverse publicity which negatively impact on the trading price and liquidity of Shares.

(l) *Force majeure*

Force Majeure describes events including acts of God, fire, flood, earthquakes, war and strikes beyond the control of a party claiming the occurrence of any such event. To the extent that a Force Majeure event occurs, it may have a detrimental effect on the ability of Q Technology to operate, its financial performance and the value and price of Shares.

(m) *Loss of key customers*

There is no guarantee that Q Technology will be able to retain existing customers, or attract new customers in the future. This would materially adversely impact the Q Technology's operating results and viability.

(n) *Market conditions*

A number of factors affect the performance of share market investments that could also affect the price at which the Shares trade on the ASX. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general such as acts of terrorism, currency fluctuations and interest rate movements. These factors may materially affect the market price of the Shares regardless of the Company's operational performance.

(o) *Economic risk*

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential development programmes, as well as their ability to fund those activities.

(p) *Government factors*

The introduction of new legislation or amendments to existing legislation by governments, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of Q Technology.

Any adverse developments in political and regulatory conditions in Australia could materially affect the Q Technology's prospects. Political and environmental policy changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of Q Technology as a whole.

### **1.13 Underwriting**

The Offer is underwritten by Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA and Spanday Pty Ltd up to the value of \$1,300,000 on the terms of the Underwriting Agreements.

Details regarding the Underwriting Agreements are set out in Section 3.1.

## 1.14 Effect of the Offer on the control of Q Technology

Under section 606 of the Corporations Act, a person cannot acquire a relevant interest in the issued voting shares of a company if, because of the transaction, a person's voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%).

Section 611 of the Corporations Act provides certain exceptions to the prohibition under section 606 of the Corporations Act. Item 10 of section 611 of the Corporations Act (**Rights Issue Exception**) provides an exception for an acquisition pursuant to a rights issue if the following conditions are satisfied:

- (a) the company offers to issue securities to every person who holds securities on a pro-rata basis;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them;
- (c) agreements to issue are not entered into until the closing date of the offer; and
- (d) the terms of all offers are the same.

The Rights Issue Exception extends to any underwriters of a rights issue. If the Rights Issue Exception is to be relied upon then section 615 of the Corporations Act (regarding the appointment of a nominee for the sale of foreign shareholders' rights) must be complied with, which includes a requirement for ASIC to approve the nominee. The Company engaged in a process to attempt to mitigate any control effects that would result from the Rights Issue, including presenting both major shareholders and external parties with the opportunity to underwrite.

The potential effect that the issue of New Shares under the Offer will have on control of the Company is as follows:

- (e) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of New Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Offer;
- (f) if there is a Shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Offer, and Ineligible Shareholders unable to participate in the Offer, will be diluted relative to those shareholders who subscribe for some or all of their Entitlement;
- (g) in respect of any Shortfall, Eligible Shareholders will be entitled to top-up their shareholding, by subscribing for Additional Shares to be issued from the Shortfall (**Shortfall Offer**). However, the Company will only issue Additional Shares pursuant to an Application received in accordance with allocation policy set out in section 1.9; and
- (h) in the event that there remains a Shortfall after the allocation of Additional Shares subscribed for by Eligible Shareholders under the Offer, the remaining Shortfall will be allocated to the Underwriters and as a result, the Underwriters' percentage interest in the Company will increase. Therefore, the Company is relying on the Rights Issue Exception in respect of the Underwriters and appointing the Nominee as set out in section 1.6.

The final percentage interests held by shareholders of the Company is entirely dependent on the extent to which other Eligible Shareholders take up their Entitlements and any Additional Shares under the Shortfall Offer. However, with exception to Helmsman who

currently holds 46.04% of the shares in the Company, the Company is not presently aware of any person who will, as a result of taking up their Entitlements, acquire a relevant interest in voting shares that will result in that person's voting power increasing from:

- (a) below 20% to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

#### 1.15 Intentions of substantial shareholders

The Company has been advised of the following intentions of its substantial shareholders in respect of the Rights Issue:

- (a) Helmsman, which holds a relevant interest in 21,278,436 shares, intends to take up its full Entitlement;
- (b) Mr Edmond Tern (**Tern**), who holds a relevant interest in 4,166,054 shares, intends to take up 35.56% of his total entitlement; and
- (c) Mr Howard Whitesmith (**Whitesmith**), who holds a relevant interest in 5,000,000 shares (2,500,000 directly and 2,500,000 indirectly through Nineteen25 Pty Ltd) intends to take up 59.26% of his combined total entitlement.

#### 1.16 Potential Control Scenarios following the Rights Issue

In any event, the Company has outlined in the Table below, the potential effect that completion of the Rights Issue may have on the total percentage shareholding of the Underwriters and the Company's following major substantial shareholders:

- (a) Tern; and
- (b) Whitesmith; and

under the following scenarios:

- (c) Helmsman, Tern, Whitesmith or Spanday (as applicable) all take up their full Entitlement under the Rights Issue, no other Eligible Shareholder takes up any New Shares being offered under the Rights Issue and the Shortfall is issued to the Underwriters;
- (d) Helmsman, Tern, Whitesmith or Spanday (as applicable) all take up their full Entitlement under the Rights Issue, 25% of the New Shares being offered under the Rights Issue are taken up by other Eligible Shareholders and the Shortfall is issued to the Underwriters;
- (e) Helmsman, Tern, Whitesmith or Spanday (as applicable) all take up their full Entitlement under the Rights Issue, 50% of the New Shares being offered under the Rights Issue are taken up by other Eligible Shareholders and the Shortfall is issued to the Underwriters; and
- (f) Helmsman, Tern, Whitesmith or Spanday (as applicable) all take up their full Entitlement under the Rights Issue, 75% of the New Shares being offered under the Rights Issue are taken up by other Eligible Shareholders and the Shortfall is issued to the Underwriters.

Shareholding as at 30 November 2018	Potential Control Scenario following the Rights Issue
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Substantial shareholder	Shareholding	% Holding	% holding if 0% take up by other Eligible Shareholders and Shortfall is issued to Underwriters	% holding if 25% take up by other Eligible Shareholders and Shortfall is issued to Underwriters	% holding if 50% take up by other Eligible Shareholders and Shortfall is issued to Underwriters	% holding if 75% take up by other Eligible Shareholders and Shortfall is issued to Underwriters
Helmsman	21,278,436	46.04%	74.45%	67.35%	60.24%	53.14%
Tern (including relevant interest in shares held by spouse)	4,166,054	9.01%	4.99%	4.99%	4.99%	4.99%
Whitesmith (including relevant interest in shares held by Nineteen25 Pty Ltd)	5,000,000	10.82%	7.77%	7.77%	7.77%	7.77%
Spanday	772,000	1.67%	2.81%	2.52%	2.24%	1.95%

#### 1.17 Helmsman's intentions for the Company

Other than as disclosed elsewhere in this Offer Document and as arising pursuant to the Offer, the Company understands that Helmsman:

- a) have no intention of making any significant changes to the business of the Company;
- b) have no intention to inject further capital into the Company;
- c) have no intention of making changes regarding the future employment of the present employees of the Company;
- d) do not intend to redeploy any fixed assets of the Company;
- e) do not intend to transfer any property between the Company and Helmsman or any entity associated with any one of them;
- f) do not intend to significantly change the financial policy of the Company; and
- g) have no intention to change the composition of the Board.

These intentions are based on the Company's understanding of the Helmsman intentions as at the date of this Offer Document and on information concerning the Company, its businesses and the business environment which is known to Helmsman at the date of this document. Accordingly, the statements set out above are statements of current intention only, which may change as new information becomes available or as circumstances change.

## **2 HOW TO APPLY FOR NEW SHARES**

### **2.1 What Eligible Shareholders may do**

The number of New Shares to which you are entitled is shown on the enclosed Entitlement and Acceptance Form.

You may:

- (a) take up all of your Entitlement (refer to section 2.2 below);
- (b) in addition to applying for all of your Entitlement, apply for Additional Shares under the Shortfall facility described in section 1.9 (refer to section 2.3 below);
- (c) take up part of your Entitlement and allow the balance of your Entitlement to lapse (refer to section 2.2 below);
- (d) trade all of your Entitlement on the ASX (refer to section 2.4 below);
- (e) take up part of your Entitlement and trade the balance of your Entitlement on ASX (refer to section 2.5 below); or
- (f) do nothing and allow all of your Entitlement to lapse.

### **2.2 Applying for New Shares**

An Eligible Shareholder may take up all or part of their Entitlement by completing the Entitlement and Acceptance Form which accompanies this Offer Document and returning it to:

*Q Technology Group Limited  
C/- Computershare Investor Services Pty Limited  
GPO Box 505  
MELBOURNE VIC 3000*

by no later than 5.00 pm (AEDT) on the Closing Date.

The Company may, but is not obliged to, accept an Application received after the Closing Date if the Application is postmarked prior to the Closing Date. If the Company does not accept an Application for any reason, the Company will refund any excess Application Monies to the Eligible Shareholder, without interest, not later than 10 Business Days after the New Shares are allotted.

Entitlement and Acceptance Forms (and payments for any Application Monies will not be accepted at the Company's registered or corporate offices or other offices of the Q Technology's share registry.

Please note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

If you allow part of your Entitlement to lapse, your shareholding in Q Technology will be diluted.

### **2.3 Applying for Additional Shares**

Eligible Shareholders who subscribe for their full Entitlement may apply for Additional Shares under the Shortfall facility described in section 1.9.

To do this, complete the “*Additional Shares*” section provided on the Entitlement and Acceptance Form.

The amount of Application Monies you submit with your Application must equal the Issue Price multiplied by the total number of New Shares including Additional Shares you wish to subscribe for.

## **2.4 Selling or transferring your Entitlement**

### **(a) *Selling your Entitlements on ASX***

If you wish to sell some or all of your Entitlement on ASX, then please contact your stockbroker. You can trade your Entitlements on the ASX during the Trading Period.

You may incur brokerage costs if you sell your Entitlements on ASX. Trading of Entitlements will commence on ASX on Tuesday, 8 January 2019 and end on Wednesday, 16 January 2019.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlements before the Entitlements are allotted, or before you receive your Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by the Company or otherwise.

### **(b) *Transferring your Entitlement to another person off-market***

If you wish to transfer all or part of your Entitlements to a person off-market (i.e. other than by trading your Entitlements on ASX), you must complete and forward:

- (i) a Standard Renunciation Form (which you can obtain from the Share Registry); and
- (ii) your Entitlement and Acceptance Form, to the Company’s share Registry (at the address specified in section 2.2) before the expiration of the Trading Period.

If a completed Standard Renunciation Form and a completed Entitlement and Acceptance Form in respect of the same Entitlements are received at the same time, then the Company will give effect to the transfer of those Entitlements in priority to the exercise of that Entitlement.

You may transfer all or a proportion of your Entitlements in the two methods set out above.

If you are an Eligible Shareholder on the CHESS sub-register, or subject to regulatory approval, you must contact your sponsoring broker to effect the transfer of your Entitlements. The Company is unable to transfer rights either from or to a CHESS holding.

## **2.5 Applying for some New Shares and selling the remainder of the Entitlement**

Should you wish to take up part of your Entitlement and sell the balance of your Entitlement on the ASX, complete the accompanying Entitlement and Acceptance Form for that part of your Entitlement that you wish to accept.

Please return the completed Entitlement and Acceptance Form, together with the Application Monies (in full), in accordance with Section 2.6, to the share registry so that it is received at the address listing in Section 2.2 by no later than 5:00pm (AEDT) on the Closing Date.

Subsequently, provide instructions to your stockbroker regarding the portion of your Entitlement that you wish to sell. Trading of Entitlements will commence on ASX on Tuesday, 8 January 2019 and end on Wednesday, 16 January 2019.

## 2.6 Form of payment

Payment of Application Monies will only be accepted in Australian currency and as follows:

- (a) **(through BPAY)** Eligible Shareholders can make their payment by BPAY in accordance with the instructions set out in accompanied personalised Entitlement and Acceptance Form. Payment must be made using the reference number on the form and must be made by 5.00pm (AEDT) on the Closing Date. The reference number is used to identify your holding, If you have multiple holdings you will have multiple reference numbers. You must use the reference number on each Entitlement and Acceptance Form to pay for each holding separately.

***Eligible Shareholders making a payment by BPAY are not required to return their Entitlement and Acceptance Form;***

- (b) **(By bank cheque)** by bank cheque drawn on and redeemable at any Australian bank; or
- (c) **(By personal cheque)** by personal cheque drawn on and redeemable at any Australian bank.

Cheques or bank cheques should be made payable to **“Q Technology Group Limited”** and crossed **“Not Negotiable”**.

Eligible Shareholders are asked not to forward cash. Receipts for payment will not be provided.

You should ensure that sufficient funds are held in the relevant account(s) to cover the full Application Monies.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares including any Additional Shares you applied for, or is more than the number of New Shares including any Additional Shares you applied for, you will be taken to have applied for such whole number of New Shares (rounded down to the nearest whole New Share) including any Additional Shares which is covered in full by your Application Monies. Alternatively, the Company may in its discretion reject your Application, in which case any Application Monies will be refunded to you (without interest).

If you do not receive any or all of the Additional Shares you applied for, any excess Application Monies will be returned to you (without interest).

## 2.7 Effect of Application

By applying for New Shares under an Offer (including by way of a payment through BPAY), an Eligible Shareholder is taken to:

- (a) agree to be bound by the terms and conditions set out in this Offer Document and the Entitlement and Acceptance Form;
- (b) acknowledge that you have received a copy of this Offer Document and an accompanying Entitlement and Acceptance Form, and read them both in their entirety
- (c) represent to the Company that they are an Eligible Shareholder;

- (d) authorise the Company to register the Eligible Shareholder as the holder(s) of the New Shares allotted to the Eligible Shareholder;
- (e) authorise the Company to place the Eligible Shareholder's name on the Company's shareholder register in respect of those New Shares; and
- (f) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (g) declare that the Eligible Shareholder is over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Entitlement and Acceptance Form;
- (h) acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law; and
- (i) agree to be bound by the Company's constitution.

## **2.8 Allowing your Entitlement to lapse**

If you do nothing, all of your Entitlement will lapse, in which case the New Shares comprising your Entitlement will form part of the Shortfall Facility, and will be dealt with in accordance with the terms of this Offer (refer to section 1.9 above).

If you allow part of your Entitlement to lapse, your shareholding in Q Technology will be diluted.

## **2.9 Enquiries concerning Entitlement and Acceptance Form**

If you have any questions on how to complete the Entitlement and Acceptance Form or take part or all of your Entitlement, please contact Q Technology's share registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).



### 3 ADDITIONAL INFORMATION

#### 3.1 Underwriting Agreement

The Company has entered into:

- (a) an underwriting agreement with Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA (**Helmsman Underwriting Agreement**); and
- (b) an underwriting agreement with Spanday Pty Ltd (**Spanday Underwriting Agreement**),  
  
(collectively referred to as **Underwriting Agreements**)

pursuant to which the Underwriters have agreed to partially underwrite the Offer as follows:

- (c) Spanday Pty Ltd has agreed to underwrite up to \$50,000 in accordance with the terms of the Spanday Underwriting Agreement; and
- (d) Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA has agreed to underwrite up to \$1,250,000 in accordance with the terms of the Helmsman Underwriting Agreement.

The Chairman of the Company is also the managing director of Helmsman, Mr Douglas Potter, however Mr Potter does not have a personal relevant interest in the shares held by Helmsman as he is not the holder of the shares and does not have the power to either exercise, or control the exercise of, a right to vote attached to the shares or dispose of, or control the exercise of a power to dispose of, the shares. Notwithstanding, even if Mr Potter did have a relevant interest in the shares, the terms of the Helmsman Underwriting Agreement and Spanday Underwriting Agreement are identical (save and except for the underwritten amount) and were both negotiated on arm's length terms.

To the extent that there is any Shortfall, the Shortfall will be allocated to the Underwriters in their Pro-Rata Portions up to their respective underwritten amount and the Underwriters must, within 5 Business Days after receipt of notice of the Shortfall, lodge or cause to be lodged with the Company applications to apply for their Pro-Rata Portion of the Shortfall (including the Application Money in cleared funds).

The Underwriters will not receive any underwriting fee in connection with the underwriting of the Rights Issue.

Each of the Underwriters may, without cost or liability to the Underwriter, terminate their respective Underwriting Agreement if any of the following, amongst other events, occurs:

- (a) **(ASX/S&P 200 Index fall)** the ASX/S&P 200 Index is, for the period of three consecutive Business Days or the period until completion of the Rights Issue (whichever is the lesser period), at a level which is 85% or less than the level at the close of ASX trading on the date of agreement;
- (b) **(Company Share Price)** the share price of the Company as shown on the ASX, for the period of three consecutive Business Days or completion of the Rights Issue, is at a level which is 60% or less than the Issue Price;
- (c) **(ASX Listing)** the Company ceases to be admitted to the official list of ASX or the Company's ordinary shares are suspended from quotation;
- (d) **(Indictable offence)** an officer (as that term is defined in section 9 of the Corporations Act) of the Company or a related body corporate is charged with an indictable offence relating to a financial or corporate matter;

- (e) **(insolvency event)** an insolvency event occurs with respect to the Company or a related body corporate;
- (f) **(Withdrawal)** the Company withdraws the Issue or this Offer Document;
- (g) **(Disruption in financial markets)** either of the following occurs:
  - (i) a general moratorium on commercial banking activities in Australia is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - (ii) trading in all securities quoted or listed on ASX is suspended or limited in a material respect for one day on which that exchange is open for trading,in either case the effect of which is such as to make it, in the judgment of the Underwriter, impractical to promote the Issue or to enforce contracts to issue and allot the New Shares.

The Underwriters may also terminate their respective Underwriter Agreement if any of the following events, amongst others, occur:

- (h) **(Failure to comply)** The Company or any related body corporate fails to comply with any of the following:
  - (i) a clause of its constitution;
  - (ii) a statute;
  - (iii) any policy or guideline of ASIC or any other requirement, order or request made by or on behalf of ASIC, ASX or any governmental agency; or
  - (iv) any agreement entered into by it.
- (i) **(Default)** the Company is in default of any of the terms and conditions of Underwriting Agreement or breaches any warranty, representation or covenant given or made by the Company under the Underwriting Agreement;
- (j) **(Capital structure)** the Company or a related body corporate alters its capital structure without the prior written consent of the Underwriter;
- (k) **(Constitution altered)** The constitution or any other constituent document of the Company or a related body corporate is amended without the prior written consent of the Underwriter;
- (l) **(Financial assistance)** The Company or a related body corporate seeks the approval of Shareholders under section 260B of the Corporations Act, without the prior written consent of the Underwriter.
- (m) **(Business)** the Company or a related body corporate:
  - (i) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; or
  - (ii) ceases or threatens to cease to carry on business,in either case without the prior written consent of the Underwriter.
- (n) **(Adverse change)** Any material adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and

the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company), including any material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those respectively disclosed in the Offer Document or in public and other media statements made by or on behalf of the Company in relation to the affairs of the Company.

- (o) **(Offer Document)** Without limiting any other paragraph of this schedule:
  - (i) there is an omission from the Offer Document of material nature required by the Corporations Act to be included in the Offer Document;
  - (ii) the Offer Document contains a misleading or deceptive statement;
  - (iii) a statement in the Offer Document becomes misleading or deceptive; or
  - (iv) a statement in the Offer Document about a future matter becomes incapable of being met or unlikely to be met in the projected time.
- (p) **(Listing Rules)** the Company commits a material breach of the Listing Rules, and the Underwriter determines that the event:
  - (q) has an actual or potential material reduction in the level or likely level of applications for the New Shares or the level or likely level of settlement of those applications;
  - (r) has an actual or potential material adverse effect on the condition, financial or otherwise, or in the assets, earnings, business, operations, management or prospects, of the Company from the position as disclosed to ASX as at the date of the Underwriter Agreement; or
  - (s) could give rise to an actual or potential liability for the Underwriter under any law.

### **3.2 Reliance on Offer Document**

This Offer Document has been prepared pursuant to section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2018/84, for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act.

This Offer Document was lodged with ASX on 31 December 2018.

Section 708AA of the Corporations Act requires an entity who seeks to rely on the disclosure exemption in section 708AA to lodge a “cleansing notice” with ASX which:

- (a) sets out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Q Technology; or
  - (ii) the rights and liabilities attaching to the New Shares; and
- (b) states the potential effect of the issue of the New Shares on control of Q Technology and the consequences of that effect.

Q Technology lodged a cleansing notice in respect of the Offer with ASX on 31 December 2018.

In deciding whether or not to apply for New Shares and any Additional Shares under the Offer, you should rely on your own knowledge of Q Technology, refer to the documents lodged and the disclosures made by the Company on ASX (which are available on the ASX website at [www.asx.com.au](http://www.asx.com.au) (Q Technology ASX code: QTG)) and seek advice from your financial or professional adviser.

### 3.3 Interest of the Directors

The interest of the Directors and their related parties of the Company at the date of this Offer Document are as follows:

Related Party	Number of Shares held in Q Technology
Mr Rob Rosa	1,750,448
Mr Howard Whitesmith	5,000,000
Mr Edmond Tern	4,166,054
Mr Douglas Potter	21,278,436

### 3.4 Expenses

The total expenses of the Offer are estimated by Q Technology to be as follows:

	\$
Underwriting fee	Nil
Legal, printing, postage and other administration fees	\$25,000.00
Share registry fees	\$11,742.00
Nominee fee	\$7,000.00
<b>Total (excluding GST)</b>	<b>\$43,742.00</b>

### **3.5 Taxation**

The Directors do not consider it appropriate to give shareholders taxation advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should be aware that there may be taxation implications of participating in the Offer. Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

### **3.6 Alteration of terms**

The Company reserves the right, at its discretion, to vary, suspend or cancel the Offer at any time, subject to the Corporations Act, the ASX Listing Rules and any other law or regulation to which the Company is subject.

Any variation, suspension or cancellation does not give rise to any liability on the part of or any action against, the Company or any Director and will be binding on all Eligible Shareholders.

If the Directors determine to suspend or cancel the Offer during the currency of the Offer, any Application Monies received by the Company will be refunded to Eligible Shareholders, without interest, as soon as reasonably practical after the suspension or cancellation and in any event within 10 Business Days after the Closing Date.

### **3.7 Enquires**

If you have any questions in respect of the Offer, please contact the Q Technology's share registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (Outside Australia).

## 4 DEFINITIONS

Terms and abbreviations used in this Offer Document have the following meaning:

<b>Additional Shares</b>	New Shares applied for by Eligible Shareholders in excess of their Entitlement.
<b>Application</b>	A valid application by way of an Entitlement and Acceptance Form.
<b>Application Monies</b>	Monies paid by Eligible Shareholders in respect of New Shares they apply for.
<b>AEDT</b>	Australian Eastern Standard Time.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ABN 98 008 624 691).
<b>Business Day</b>	An Australian business day that is not a Saturday, Sunday, or any other day which is a public holiday or bank holiday in the place where an act is to be performed or a payment is to be made.
<b>Closing Date</b>	5:00pm (AEDT) on 23 January 2019 (unless extended).
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	The board of directors of the Company.
<b>Eligible Shareholder</b>	A person who meets the requirements set out in section 1.4.
<b>Entitlement</b>	The entitlement of an Eligible Shareholder to apply for nine (9) New Shares for every four (4) Shares held on the Record Date.
<b>Entitlement and Acceptance Form</b>	The application form which accompanies this Offer Document.
<b>Group</b>	Company and each entity controlled by the Company.
<b>Helmsman</b>	Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA.
<b>Helmsman's Underwritten Amount</b>	\$1,250,000.
<b>Issue Price</b>	\$0.015 per New Share.
<b>Listing Rules or ASX Listing Rules</b>	The Listing Rules of ASX.
<b>New Share</b>	A Share to be issued pursuant to the Offer.
<b>Offer or Rights Issue</b>	The offer of New Shares under this Offer Document.

<b>Offer Document</b>	This document dated 31 December 2018.
<b>Pro-Rata Portion</b>	means: <ul style="list-style-type: none"> <li>(a) in respect of Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA, the percentage Helmsman's Underwritten Amount bears to the Total Underwritten Amount; and</li> <li>(b) In respect of Spanday Pty Ltd, the percentage Spanday's Underwritten Amount bears to the Total Underwritten Amount;</li> </ul>
<b>Q Technology or Company</b>	Q Technology Group Limited (ACN 009 259 876).
<b>Record Date</b>	7.00pm (AEDT) on 9 January 2019
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Shortfall</b>	Those New Shares not subscribed for by way of an Application pursuant to this Offer Document by the Closing Date.
<b>Shortfall Facility</b>	The shortfall facility described in section 1.9.
<b>Spanday's Underwritten Amount</b>	\$50,000
<b>Total Underwritten Amount</b>	\$1,300,000
<b>Trading Period</b>	The period in which Entitlements may be traded or transferred commencing on Tuesday, 8 January 2019 and ending on Wednesday, 16 January 2019.
<b>Underwriters</b>	Each of the following: <ul style="list-style-type: none"> <li>(a) Bond Street Custodians Limited (ACN 008 607 065) as trustee for the Helmsman Capital Fund Trust IIA; and</li> <li>(b) Spanday Pty Ltd.</li> </ul>
<b>Voting Power</b>	Has the meaning given to that term in the Corporations Act.

## 5 CORPORATE DIRECTORY

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### **Directors**

Mr Douglas Potter – *Chairman, Non-Executive Director*

Mr Rob Rosa – *Non-Executive Director*

Mr Edmond Tern – *Non-Executive Director*

Mr Howard Whitesmith – *Acting Managing Director*

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### **Company Secretary**

Mr Andrew Phillips

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### **Registered Office**

Unit 5, 435 Williamstown Road  
PORT MELBOURNE VIC 3207

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### **Legal Advisers to the Offer**

CBW Partners

1/159 Dorcas Street  
SOUTH MELBOURNE VIC 3205  
Phone: +61 (0)3 8646 3833  
[www.cbwpartners.com](http://www.cbwpartners.com)

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### **Share Registry**

Computershare Investor Services Pty Limited

Yarra Falls

452 Johnston Street  
ABBOTSFORD VIC 3067

Phone: 1300 850 505 (within Australia) or +61 3 9415 4000 (Outside Australia)

[www.computershare.com](http://www.computershare.com)

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