



ABN 27 009 259 876

## Offer Document

**For a non-renounceable pro-rata rights issue by Q Technology Group Limited to Eligible Shareholders of 1 New Share for every 1 Share held on the Record Date at an issue price of \$0.004 per New Share.**

**The Offer closes at 5.00 pm (AEDT) on 20 November 2015.**

**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 Offer Document.**

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## IMPORTANT INFORMATION

This Offer Document has been prepared by Q Technology Group Limited ABN 27 009 259 876 (**Q Technology**) and is dated 9 October 2015. 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 Class Order 08/35.

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.

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.

### **Ineligible shareholders**

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 considers it is unreasonable to extend the Offer to Shareholders with registered addresses in jurisdictions outside Australia and New Zealand having regard to the small number and value of New Shares that would be offered in such jurisdictions and the cost of complying with the legal and regulatory requirements in those jurisdictions.

## **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.

## **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 781 149 (within Australia) or +61 3 9415 4659 (outside Australia).

## KEY OFFER DETAILS

### Key data relating to the Offer

The Offer to Eligible Shareholders	1 New Share for every 1 Shares held on the Record Date
Issue Price per New Share	\$0.004
Discount of the Issue Price to the closing price of Shares on ASX on 8 October 2015 (being the last trading day before announcement of the Offer)	0%
Maximum number of New Shares to be offered under the Offer	196,065,483
Proceeds from the Offer (excluding costs associated with the Offer)	\$784,261.93*
Total number of Shares on issue following the Offer (assuming full subscription)	392,130,966

\* These figures are approximate only and are subject to rounding.

### Key Dates\*\*

Announcement of the Offer	Friday , 9 October 2015
Cleansing Notice in respect of Rights Issue, Offer Booklet and Appendix 3B lodged with ASX	
Ex Date	Wednesday, 14 October 2015
Record Date	7.00 pm (AEDT) on Friday, 16 October 2015
Dispatch of Offer Document and Entitlement and Acceptance Forms	Wednesday, 21 October 2015
<b>Closing Date</b>	<b>5.00pm (AEDT) on Friday, 20 November 2015</b>
Quotation on a deferred settlement basis	Monday, 23 November 2015
Shortfall notification date	Wednesday, 25 November 2015
Allotment of New Shares	Thursday, 26 November 2015
Trading of New Shares expected to commence on ASX	Friday, 27 November 2015

\*\* These dates are indicative only and are subject to change. Q Technology reserves the right, subject to the Corporations Act and the Listing Rules, to amend this indicative timetable. In particular, Q Technology reserves the right, to extend the 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.

## ANSWERS TO KEY QUESTIONS

Question	Answer
What is the Offer?	1 New Share for every 1 Shares held on the Record Date at an Issue Price of \$0.004 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 \$0.004. 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?	Proceeds from the Offer will be used to provide additional working capital and fund the acquisition of additional inventory for new products to support the revenue growth objectives of the group.
Is the Offer underwritten?	<p>The Offer is partially underwritten to an amount of \$440,135 by 7 major shareholders. See section 1.11 for further details.</p> <p>No underwritten fee is applicable.</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 the Directors. There is no guarantee that you will receive Additional Shares.</p>
What are the risks associated with applying for New Shares under the Offer?	<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>

What are my options?	<p>You may either:</p> <ul style="list-style-type: none"> <li>• take up all, or part, of your Entitlement;</li> <li>• take up all of your Entitlement and apply for Additional Shares; or</li> <li>• do nothing and allow all of your Entitlement to lapse, in which case the New Shares comprising your Entitlement may be placed by the Directors at their discretion.</li> </ul>
How do I accept my Entitlement?	<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 781 149 (within Australia) or +61 3 9415 4659 (outside Australia).</p>
Can I sell or transfer my Entitlement?	<p>No. The Offer is non-renounceable and, accordingly, you cannot sell or transfer any of your Entitlement.</p>
How can I obtain further information?	<p>Q Technology encourages you to seek advice from your financial or other professional adviser in respect of the Offer.</p>

# **1 THE OFFER AND ELIGIBILITY**

## **1.1 The Offer**

Q Technology is offering Eligible Shareholders the opportunity to subscribe for **1 New Share** in Q Technology for every 1 Shares held on 7.00PM (AEDT) on the Record Date at an Issue Price of **\$0.004** per New Share.

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 1.7.

## **1.2 Issue Price**

The Issue Price payable for each New Share is \$0.004 which represents a 0% discount to the closing market price of Shares on ASX on 8 October 2015 (being, the trading day prior to the announcement of the Offer on 9 October 2015).

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 3.3 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).

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

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

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

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

The Company has determined that it is not practical for holders of Shares with registered addresses in other jurisdictions to participate in the Offer, having regard to the number and value of New Shares they would be offered and the costs of complying with the regulatory requirements in those places.

To the extent that a person holds Shares on behalf of another person resident outside Australia or New Zealand, it is that person's responsibility to ensure that any acceptance complies with all applicable foreign laws.

## **1.5 Closing Date**

The Offer is scheduled to close on **5.00pm (AEDT) on 20 November 2015**. 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 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.

## **1.6 Trading of Entitlements**

The Offer is made on a non-renounceable basis and, accordingly, Eligible Shareholders may not sell, trade or transfer all or part of their Entitlement.

## **1.7 Shortfall facility**

Subject to the Corporations Act and the requirement of the 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 \$0.004, being the same price for New Shares under the Offer.

Applications for Additional Shares may be considered if a Shortfall exists. Additional Shares will be issued to Eligible Shareholders at the discretion of the Directors.

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.

## **1.8 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 26 November 2015.

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.

## **1.9 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.

## **1.10 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:

(1) *Acquisitions and other strategic investments*

Q Technology intends to pursue acquisitions or investments in industries that are likely to be different to that which Q Technology currently operates in. Specifically, due to the current low market capitalisation the company has been approached by several parties over the last 6 months seeking to explore potential merger or reverse take-over style of transactions utilising the Q Technology listed vehicle.

Q Technology intends to explore all options to generate increased value for shareholders and notes that initial discussions on the merits of potential mergers are underway with two parties. Should suitable new business opportunity be identified, it will then need to be assessed for its technical, legal and commercial suitability. However, Q Technology may not be successful in investing into or acquiring a business or project of sufficient merit, strength or potential.

The Directors are unable to provide shareholders with information as to the ultimate investments to be made by Q Technology, as no investment has yet been selected. Shareholders must therefore make their decision to invest on the basis of the skills of the Directors.

There can be no guarantee that any proposed acquisition of a new business or project will be completed or will be successful. The acquisition of new business opportunities (whether completed or not) may also require payment of monies (as a deposit or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence.

If any proposed acquisition is not completed, monies already advanced may not be recoverable. Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the risks associated with operating a new business or project will also apply. Any such new business or project will also be subject to the risks associated with the industry in which they operate.

The raising of additional funds to acquire and support the investment into or the acquisition of a business or project may not be possible or not on sufficiently attractive terms. This may be due to reasons such as general market conditions and investor sentiment and confidence.

(2) *Future financing*

It is likely that Q Technology will 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.

(3) *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.

(4) *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.

(5) *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.

(6) *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 its 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.

(7) *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.

(8) *External suppliers*

Q Technology relies on a number of external suppliers for the provision of its products. There can be no assurance given that the failure of an external supplier(s) will not adversely affect the business of Q Technology.

(9) *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.

(10) *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.

(11) *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.

(12) *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.

(13) *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.

(14) *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.

(15) *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.

(16) *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.

(17) *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.

## 1.11 Underwriting Arrangements

Q Technology has entered into an underwriting agreement (**Underwriting Agreement**) with each Underwriter, who have agreed to partially underwrite the Offer up to an amount of \$440,135. No underwriting fee is payable.

Each Underwriter is an existing shareholder of Q Technology and have advised that they intend to subscribe for their full Entitlements under the Offer.

As is customary with these types of arrangements:

- (1) Q Technology will indemnify each Underwriter against any losses they may suffer or incur in connection with the Underwriting Agreement;
- (2) Q Technology and the Underwriters give certain representations, warranties and undertakings in connection with, among other things, the Offer;
- (3) the Underwriters may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where:
  - (a) Q Technology is removed from the official list of ASX, its shares are delisted or suspended from quotation by ASX;
  - (b) there are material disruptions in financial or economic conditions in key markets, or hostilities commence or escalate in certain countries;
  - (c) there are certain delays in the timetable for the Offer without the Underwriters' consent;
  - (d) any of the offer documents does not comply in any material respect with the Corporations Act or the Listing Rules, or any applicable law, including due to a statement in the offer documents which is or becomes misleading or deceptive (or omit any information that is required), or any forecasts, expressions of opinion, intention or expectation expressed in offer documents, are not, in all material respects, based on reasonable assumptions; or
  - (e) Q Technology withdraws the Rights Issue.

If there is a Shortfall, it will be allocated to the Underwriters in the following proportions:

Name of Underwriter	Proportion of Shortfall Shares to be underwritten
Helmsman Funds Management Limited (ACN 100 489 763) as trustee for the Helmsman Capital Fund Trust IIA ( <b>Helmsman</b> )	Up to \$166,000.00 (37.72%)
Mr Edmond Tern	Up to \$100,000.00 (22.72%)
Cherryoak Investments Pty Ltd (ACN 101 363 642) ( <b>Cherryoak Investments</b> )	Up to \$52,885.00 (12.02%)
Nineteen25 Pty Limited (ACN 138 742 319) ( <b>Nineteen25</b> )	Up to \$30,000.00 (6.82%)
Talston Pty Limited (ACN 006 377 859) ( <b>Talston</b> )	Up to \$20,250.00 (4.6%)
Mr Peter Higgins and Mrs Jayne Higgins ( <b>Higgins</b> )	Up to \$18,000.00 (4.09%)
Rosa Investment Group Pty Ltd (ACN 111 581 134)	Up to \$53,000.00 (12.04%)

Assuming that no other Eligible Shareholders other than the Underwriters in their capacity as Eligible Shareholders take up their Entitlements and the Underwriting Agreement is not terminated in accordance with its terms, the underwriting commitments of each Underwriter will have the following effect on their respective shareholders in Q Technology:

	As at 7 October 2015		Immediately following the Offer*	
Name of Underwriter	Shareholding	% Total	Shareholding	% Total
Helmsman Funds Management Limited (ACN 100 489 763) as trustee for the Helmsman Capital Fund Trust IIA ( <b>Helmsman</b> )	56,099,626	28.61%	143,531,632	37.88%
Mr Edmond Tern	800,000	0.4%	23,486,976	5.99%
Cherryoak Investments Pty Ltd (ACN 101 363 642) ( <b>Cherryoak Investments</b> )	17,872,467	9.12%	47,319,862	12.07%
Nineteen25 Pty Limited (ACN 138 742 319) ( <b>Nineteen25</b> )	9,800,000	5.00%	26,166,093	6.67%
Talston Pty Limited (ACN 006 377 859) ( <b>Talston</b> )	5,621,586	2.87%	15,675,285	4.00%
Mr Peter Higgins and Mrs Jayne Higgins ( <b>Higgins</b> )	5,000,000	2.55%	13,939,656	3.55%
Rosa Investment Group Pty Ltd (ACN 111 581 134) ( <b>Rosa Investment</b> )	4,539,561	2.32%	20,679,219	5.27%

\*This assumes no Eligible Shareholder take up their Entitlements other than the Underwriters in their capacity as Eligible Shareholders, and no Eligible Shareholders take up any Additional Shares under the Shortfall facility.

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

The potential effect that the Offer will have on the control of Q Technology, and the consequences of that effect, will depend on a number of factors, including Eligible Shareholders interest in taking up their entitlements. However, the table above shows the

increase in voting power of each Underwriter as a result of each Underwriter taking up the maximum number of Shares.

### **1.13 Chapter 2E of the Corporations Act**

Each Director is considered to be a 'Related Party' within the meaning of the Corporations Act. Chapter 2E of the Corporations Act states that shareholder approval must be given before giving a financial benefit to a Related Party of Q Technology, unless the financial benefit comes within one of the exceptions in Sections 210 to 216 of the Corporations Act.

In particular:

- (1) Mr Edward Tern is a Director;
- (2) Mr Douglas Potter is a Director and a director of Helmsman; and
- (3) Mr Robert Rosa is a Director and a director of Rosa Investment.

The issue of Shortfall Shares pursuant to the Underwriting Agreement constitutes the giving of a financial benefit to a Related Party for the purposes of Chapter 2E of the Corporations Act.

Shareholder approval is not being sought for the underwriting for the purposes of Chapter 2E of the Corporations Act, as the Directors are of the opinion that the exception to the shareholder approval requirement in Section 210 of the Corporations Act applies. That exception provides that shareholder approval is not required for the giving of a financial benefit on terms that:

- (1) would be reasonable in the circumstances if the public company and the Related Party were dealing at arm's length terms; or
- (2) are less favourable to the Related Party than the terms referred to in (1).

The Directors have formed the view that the exception applies on the basis that:

- (1) no underwriting fee is being paid to the Underwriters for the underwriting service being an arrangement less favourable than an arms-length transaction; and
- (2) any financial benefit arising from the issue of Shares under the Offer is on arm's length terms as:
  - (a) third party underwriters are prepared to provide the underwriting on the same terms; and
  - (b) the Shares being issued under the Offer are being offered to all Eligible Shareholders.

### **1.14 Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

The issue of Shortfall Shares to the Underwriters in accordance with the Underwriting Agreement will come within Exception 2 in Listing Rule 10.12 which states that shareholder approval is not required where a Related Party receives shares under an underwriting agreement in relation to a pro rata issue, and the terms of the underwriting were included in the offer documents sent to Eligible Shareholders. Accordingly, shareholder approval is not sought for the purposes of Listing Rule 10.11 for the grant of Shares to each Underwriter in accordance with the Underwriting Agreement.

### **1.15 Loan Agreements**

As announced by Q Technology on 6 October 2015, Mr Edmond Tern and Helmsman have agreed to advance to Q Technology \$200,000 each for a total of \$400,000 as an unsecured loan at an interest rate of 10% per annum (**Loan**).

The Loan was drawn down on 6 October 2015 and is repayable by Q Technology by 6 October 2016. Funds under the Loan will be used to satisfy working capital requirements of Q Technology and assist with the payment of expenses incurred by Q Technology in relation to the Offer as set out in more detail in section 3.3.

### **1.16 Rights issue exception not available**

No nominee has been appointed for Ineligible Shareholders under Section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of Section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in Section 606 as a result of acceptance of the Entitlement Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.



## **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 either:

- (1) take up all of your Entitlement (refer to section 2.2 below);
- (2) in addition to applying for all of your Entitlement, apply for Additional Shares under the Shortfall facility described in section 1.7 (refer to section 2.3 below);
- (3) take up part of your Entitlement and allow the balance of your Entitlement to lapse (refer to section 2.2 below); or
- (4) allow all of your Entitlement to lapse (refer to section 2.6 below).

### **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 2015 Rights Issue*  
*c/- Computershare Investor Services Pty Limited*  
**GPO Box 505, Melbourne, Victoria 3001, Australia**

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.

If you allow part of your Entitlement to lapse, your shareholding in Q Technology will be diluted (in addition to any dilution as a result of the Placement).

### **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 1.7.

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

### **2.4 Form of payment**

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

- 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;

- By bank cheque drawn on and redeemable at any Australian bank; or
- 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.

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).

## **2.5 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:

- (1) agree to be bound by the terms and conditions set out in this Offer Document and the Entitlement and Acceptance Form;
- (2) authorise the Company to place the Eligible Shareholder’s name on the Company’s shareholder register in respect of those New Shares; and
- (3) agree to be bound by the Company’s constitution.

## **2.6 Allowing your Entitlement to lapse**

If you do nothing, all of your Entitlement will lapse and your shareholding in Q Technology will be diluted.

## **2.7 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 781 149** (within Australia) or **+613 9415 4659** (outside Australia).

### 3 ADDITIONAL INFORMATION

#### 3.1 Reliance on Offer Document

This Offer Document has been prepared pursuant to section 708AA of the Corporations Act, as modified by ASIC Class Order 08/35, 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 9 October 2015.

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:

- (1) 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:
  - (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Q Technology; or
  - (b) the rights and liabilities attaching to the New Shares; and
- (2) 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 28 September 2015.

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.

#### 3.2 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:

Number of Shares held in Q Technology	
Mr Rob Rosa	6,539,561
Mr Edmond Tern	800,000
Mr Douglas Potter	0

It is the current intention of all eligible Directors to take up their full Entitlement under the Offer.

### 3.3 Expenses

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

	\$
Underwriting fee	Nil
Legal, printing, postage and other administration fees	30,000
<b>Total</b>	<b>30,000</b>

### 3.4 Taxation

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.

### 3.5 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 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.

### 3.6 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 781 149** (within Australia) or **+61 3 9415 4659** (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 Daylight 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 20 November 2015 (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 1.3.
<b>Entitlement</b>	The entitlement of an Eligible Shareholder to apply for 1 New Share for every 1 Share held on the Record Date.
<b>Entitlement and Acceptance Form</b>	The application form which accompanies this Offer Document.
<b>Issue Price</b>	\$0.004 per New Share.
<b>Listing Rules</b>	The Listing Rules of ASX.
<b>New Share</b>	A Share to be issued pursuant to the Offer.
<b>Offer</b>	The offer of New Shares under this Offer Document.
<b>Offer Document</b>	This document dated 9 October 2015.
<b>Q Technology or Company</b>	Q Technology Group Limited (ACN 009 259 876).
<b>Record Date</b>	7.00pm (AEDT) on 16 October 2015.
<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>Underwriter</b>	<p>Each of:</p> <ul style="list-style-type: none"> <li>• Helmsman Funds Management Limited (ACN 100 489 763) as trustee for the Helmsman Capital Fund Trust IIA;</li> <li>• Mr Edmond Tern;</li> <li>• Cherryoak Investments Pty Ltd (ACN 101 363 642);</li> <li>• Nineteen25 Pty Limited (ACN 138 742 319);</li> <li>• Talston Pty Limited (ACN 006 377 859);</li> <li>• Mr Peter Higgins and Mrs Jayne Higgins; and</li> <li>• Rosa Investment Group Pty Ltd (ACN 111 581 134).</li> </ul>

## 5 CORPORATE DIRECTORY

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### **Directors**

Mr Douglas Potter – *Chairman, Non-Executive Director*  
Mr Rob Rosa – *Managing Director, Chief Executive Officer*  
Mr Edmond Tern – *Finance Director*

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### **Company Secretary**

Mr Edmond Tern

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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  
GPO Box 505, Melbourne VIC 3001  
Australia  
Phone: 3 9415 5000  
[www.computershare.com](http://www.computershare.com)

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