
ENTITLEMENT ISSUE PROSPECTUS

Qanda Technology Ltd (**Qanda** or the **Company**) is pleased to release its prospectus for the non-renounceable entitlement issue of shares and options to raise up to \$822,400, before costs (**Entitlement Issue**), and accompanying Appendix 3B. DJ Carmichael is Lead Manager and Underwriter to the Entitlement Issue, having underwritten up to the first \$704,218, being 352,109,018 New Shares and 352,109,018 New Options.

As previously announced, the funds raised from the Entitlement Issue will be primarily used to underpin the development and marketing of the DMCR business as well as the ongoing research and development and technical costs associated with the Marketboomer business unit.

The timetable for the Entitlement Issue is as follows:

Lodgement of this Prospectus with ASIC	11 June 2014
Lodgement of Prospectus & Appendix 3B with ASX	11 June 2014
Notice of Entitlement Issue sent to Shareholders	13 June 2014
Securities under Entitlement Issue quoted on 'Ex' basis	16 June 2014
Entitlement Record Date to determine entitlements under Entitlement Issue	18 June 2014 at 5:00pm WST
Prospectus despatched to Shareholders and Company announces despatch has been completed	19 June 2014
Opening Date of Entitlement Issue	19 June 2014
Closing Date of Entitlement Issue	30 June 2014 at 5:00pm WST
Securities quoted on deferred settlement basis	1 July 2014
ASX notified of any under subscriptions	3 July 2014
Issue date of Entitlement Issue	7 July 2014
Despatch of holding statements	7 July 2014
Normal trading of New Shares and New Options expected to commence	8 July 2014

All dates, other than the date of lodgement of the Prospectus with ASIC, are indicative only. The Company reserves the right to amend any of the important dates, in consultation with the Underwriter, without prior notice but subject to the Corporations Act and the ASX Listing Rules.

Authorised by:

Nathan Gyaneshwar

CEO

Qanda Technology Ltd

Email: nathan.gyaneshwar@marketboomer.com

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

QANDA TECHNOLOGY LTD

ABN

60 066 153 982

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Shares and Options. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (a) 411,199,927 Shares;
(b) 411,199,927 Options |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Fully paid ordinary shares;
(b) Options exercisable at \$0.002 each on or before 30 April 2017. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>(a) Shares – yes. (b) Options - yes.</p>
<p>5 Issue price or consideration</p>	<p>(a) Shares - \$0.002 each; (b) Options – For every Share issued under the Entitlement Issue, there will be granted for no additional consideration one Option.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised from the Entitlement Issue after expenses of the offer will be used to underpin the development and marketing of the DMCR business as well as the ongoing research and development and technical costs associated with the Marketboomer business unit, repayment of debt and general working capital.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable.</p>

+ See chapter 19 for defined terms.

6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable.
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable.
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable.
6f	Number of +securities issued under an exception in rule 7.2	Not applicable.
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable.
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable.
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1: 168,419,929 Rule 7.1A: Not applicable.
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	On or around 7 July 2014.
Number		+Class

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	2,672,799,527	Fully paid ordinary shares
		812,359,968	Options exercisable at \$0.002 each on or before 30 April 2017

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	18,750,000	Notes convertible at \$0.001 each on or before 12 September 2014.
		25,000,000	Notes convertible at \$0.001 each on or before 16 September 2014.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	Two Shares for every eleven shares held. For every Share issued under the Entitlement Issue there will be granted for no additional consideration one Option.
14	+Class of +securities to which the offer relates	(a) Fully paid ordinary shares; and (b) Options exercisable at \$0.002 each on or before 30 April 2017.
15	+Record date to determine entitlements	18 June 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded up to the next whole number

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	United Arab Emirates, China, Republic of Cyprus, France, United Kingdom, Hong Kong, Isle of Man, Malaysia, Singapore and USA.
19	Closing date for receipt of acceptances or renunciations	30 June 2014
20	Names of any underwriters	DJ Carmichael Pty Limited (ABN 26 003 058 857).
21	Amount of any underwriting fee or commission	The underwriter will receive a fee of 7% of the amount raised (being up to \$49,295). Subject to shareholder approval, the underwriter will also receive up to 137,500,000 Options.
22	Names of any brokers to the issue	Not Applicable
23	Fee or commission payable to the broker to the issue	Not Applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not Applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not Applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	19 June 2014
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	11 June 2014
28	Date rights trading will begin (if applicable)	Not Applicable

+ See chapter 19 for defined terms.

29	Date rights trading will end (if applicable)	Not Applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not Applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not Applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not Applicable
33	+Issue date	7 July 2014

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Questions 35 to 37 - Not Applicable

Entities that have ticked box 34(b)

Questions 38 to 42 - Not Applicable

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: **11 June 2014**
Company Secretary

Print name: **Karen Logan**

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	779,099,600
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period <p>Note:</p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities 	1,378,699,927 <ul style="list-style-type: none"> 187,500,000 fully paid ordinary shares issued on 5 November 2013, exception 4; 780,000,000 fully paid ordinary shares issued on 19 February 2014, exception 16; and 411,199,927 fully paid ordinary shares to be issued on or around 7 July 2014, exception 1. 465,000,000 <ul style="list-style-type: none"> 115,000,000 fully paid ordinary shares issued on 28 August 2013, shareholder approval under Rule 7.4 given at EGM held 10 January 2014; 225,000,000 fully paid ordinary shares issued on 19 February 2014, shareholder approval under Rule 7.1 given at EGM held 10 January 2014; 125,000,000 fully paid ordinary shares issued on 14 March 2014, shareholder approval under Rule 7.1 given at EGM held 10 January 2014. Nil

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p><i>the subject of the Appendix 3B to which this form is annexed</i></p> <ul style="list-style-type: none"> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Not applicable.
“A”	2,622,799,527

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	393,419,929
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>225,000,000</p> <ul style="list-style-type: none"> • 125,000,000 options exercisable at \$0.002 each on or before 30 April 2017 issued on 14 March 2014; • 50,000,000 fully paid ordinary shares issued on 28 May 2014; • 50,000,000 options exercisable at \$0.002 each on or before 30 April 2017 issued on 28 May 2014.
“C”	225,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	393,419,929
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	225,000,000

+ See chapter 19 for defined terms.

Total ["A" x 0.15] – "C"	168,419,929 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>
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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	Not applicable.
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Not applicable.
“E”	Not applicable.

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	Not applicable.
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Not applicable.
Total [“A” x 0.10] – “E”	Not applicable. <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



QANDA TECHNOLOGY LTD

ABN 60 066 153 982

ENTITLEMENT ISSUE PROSPECTUS

For a pro rata non-renounceable entitlement issue of approximately 411,199,927 fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of two (2) New Shares for every eleven (11) Shares held on the Entitlement Record Date at an issue price of \$0.002 per New Share to raise approximately \$822,400. For every New Share issued there will be granted for no additional consideration one (1) New Option, exercisable at \$0.002 each with an expiry date of 30 April 2017 (**Entitlement Issue**).

**The Entitlement Issue is partially underwritten to \$704,218 by
DJ Carmichael Pty Limited (ABN 26 003 058 857).**

**Refer to Section 8.2 for details regarding the terms of the
Underwriting Agreement.**

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

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APPENDIX A – ENTITLEMENT ISSUE - SHORTFALL APPLICATION FORM

APPENDIX B – ENTITLEMENT ISSUE - ENTITLEMENT AND ACCEPTANCE FORM

SECTION 1: IMPORTANT INFORMATION

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers. The Securities the subject of this Prospectus should be considered highly speculative.

This Prospectus is dated 11 June 2014. A copy of this Prospectus was lodged with the ASIC and ASX on that date. The ASIC and ASX and its officers take no responsibility for the content of this Prospectus or the merits of this investment to which this Prospectus relates.

The expiry date of the Prospectus is 11 July 2015 (**Expiry Date**). No Securities may be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult.

No person is authorised to give any information or to make any representations in connection with this Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company or its Directors.

As the Entitlement Issue is non-renounceable, the Entitlements cannot be traded and will lapse if they are not taken up in accordance with this Prospectus by the Closing Date for receipt of acceptances. Please refer to Section 4.2 for information on how to accept Entitlements under the Entitlement Issue.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Entitlement Issue is not being extended and Securities will not be issued to Shareholders with a registered address at the Entitlement Record Date which is outside Australia or New Zealand.

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand and to whom the Entitlement Issue is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Entitlement Issue and the content of the Prospectus are principally governed by Australian rather than New Zealand law. Primarily, the Corporations Act sets out how the Entitlement Issue must be made. There are differences in how securities are regulated under Australian law. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Entitlement Issue. If Eligible Shareholders resident in New Zealand need to make a complaint about the Entitlement Issue, they may contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle any complaints.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Entitlement Issue may involve a currency exchange risk. The currency for the Securities is not New Zealand dollars. The value of the Securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the New Shares and New Options to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

As noted in the Prospectus at Section 4.6, the Company will apply to the ASX for quotation of the Securities offered under this Prospectus. If quotation is granted, the Securities will be able to be traded on the ASX. Shareholders resident in New Zealand wishing to trade the Securities through that market may have to make arrangements for a participant in that market to sell the Securities on their behalf. As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to Shareholders resident in New Zealand about the Securities and trading may differ from securities markets that operate in New Zealand.

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in Section 9 of this Prospectus.

RISK FACTORS

Prospective investors in the Company should be aware that subscribing for Securities the subject of this Prospectus involves a number of specific risks, including (but not limited to):

- integration risks of recent acquisition of DMCR;
- limited operating history of DMCR;
- attracting traffic to the Internet-based platforms;
- no prior market for the Company's New Options;
- going concern; and
- the ability to obtain future funding and the requirement for further funding.

Details of these risks and other risks are set out in Section 7 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 7 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Securities. Accordingly, an investment in the Company should be considered speculative.

ELECTRONIC PROSPECTUS

Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

SECTION 2: CORPORATE DIRECTORY

Directors

Mr Nathan Gyaneshwar (Chief Executive Officer/
Managing Director)
Mr Reuben Buchanan (Non-Executive Director)
Mr Adrian Bunter (Non-Executive Director)

Share Registry*

Security Transfers Registrars Pty Ltd
Suite 1, 770 Canning Highway
Applecross WA 6153

Telephone : +61 8 9315 2333
Facsimile: +61 8 9315 2233

Company Secretary

Ms Karen Logan

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Principal Place of Business and Registered Office

Level 5, 181 Miller Street
North Sydney NSW 2060

Telephone: +61 2 8456 0555
Facsimile: +61 2 8456 0599
Email: shareholder@qandatechnology.com
Website: www.qandatechnology.com

Underwriter to the Entitlement Issue

DJ Carmichael Pty Limited
AFSL No. 232571
Level 3, London House
216 St George's Terrace
Perth WA 6000

Auditors*

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

* These parties have been included for information purposes only. They have not been involved in the preparation of this Prospectus.

SECTION 3: TIMETABLE AND IMPORTANT DATES

Lodgement of this Prospectus with ASIC	11 June 2014
Lodgement of Prospectus & Appendix 3B with ASX	11 June 2014
Notice of Entitlement Issue sent to Shareholders	13 June 2014
Securities under Entitlement Issue quoted on 'Ex' basis	16 June 2014
Entitlement Record Date to determine entitlements under Entitlement Issue	18 June 2014 at 5:00pm WST
Prospectus despatched to Shareholders & Company announces despatch has been completed	19 June 2014
Opening Date of Entitlement Issue	19 June 2014
Closing Date of Entitlement Issue	30 June 2014 at 5:00pm WST
Securities quoted on deferred settlement basis	1 July 2014
ASX and Underwriter notified of any under subscriptions	3 July 2014
Issue date of Entitlement Issue	7 July 2014
Shortfall settlement date for Underwritten Securities	
Despatch of holding statements	7 July 2014
Normal trading of New Shares and New Options expected to commence	8 July 2014

All dates, other than the date of lodgement of the Prospectus with ASIC, are indicative only. The Company reserves the right to amend any of the important dates, in consultation with the Underwriter, without prior notice but subject to the Corporations Act and the ASX Listing Rules.

SECTION 4: DETAILS OF THE ENTITLEMENT ISSUE

4.1 The Entitlement Issue

The Company offers for subscription approximately 411,199,927 fully New Shares pursuant to a pro rata non-renounceable entitlement issue to holders of Shares on the basis of two (2) New Shares for every eleven (11) Shares held on the Entitlement Record Date at an issue price of \$0.002 per New Share to raise up to approximately \$822,400. For every New Share issued there will be granted for no additional consideration one (1) New Option, exercisable at \$0.002 each with an expiry date of 30 April 2017. Fractional Entitlements will be rounded up to the nearest whole number.

Holders of existing Convertible Notes and Options will not be entitled to participate in the Entitlement Issue. The Company currently has 43,750,000 Convertible Notes and 401,160,041 Options on issue as at the date of this Prospectus, which may be converted or exercised as the context requires by the relevant holder prior to the Entitlement Record Date in order to participate in the Entitlement Issue.

4.2 How to Accept the Entitlement Issue

Your acceptance of the Entitlement must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Entitlement Issue as follows:

- (a) if you wish to accept your Entitlement in **full**:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque or attend to payment via the BPAY® option for the amount indicated on your Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form. For each New Share issued, Shareholders will also receive one (1) free New Option; and
 - (ii) attach your cheque or attend to payment via the BPAY® option for the appropriate application monies (at \$0.002 per New Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.2.1 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Qanda Technology Ltd" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's Share Registry, no later than 5:00pm (WST) on the Closing Date.

4.2.2 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

The Entitlement Issue is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

One (1) New Option with an exercise price of \$0.002 and an expiry date of 30 April 2017 will be issued for every one (1) Share subscribed for and issued under the Entitlement Issue.

4.3 Minimum Subscription

There is no minimum subscription in respect of the Entitlement Issue.

4.4 Underwriter

The Entitlement Issue is partially underwritten up to the first \$704,218, being 352,109,018 New Shares and 352,109,018 New Options (**Underwritten Securities**), by DJ Carmichael Pty Limited (**Underwriter**).

The Underwriter is required to subscribe for the Underwritten Securities within 5 Business Days of the Closing Date.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a fee of 7% of the total amount underwritten by the Underwriter (or \$49,295 excluding GST) and issue the Underwriter (or its nominees) 137,500,000 New Options. The Company will seek shareholder approval for the issue of 137,500,000 New Options to the Underwriter at a general meeting proposed to be held in July 2014.

The obligation of the Underwriter to underwrite the Entitlement Issue is subject to certain events of termination.

The Underwriter will not acquire a relevant interest in more than 20% of the voting Shares on completion of the Entitlement Issue.

Refer to Section 8.2 of this Prospectus for further details of the terms of underwriting.

4.5 Shortfall

If you do not wish to take up any part of your Entitlement under the Entitlement Issue you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall and will be dealt with by the Directors in consultation with the Underwriter, having consideration of the terms of the Underwriting Agreement.

The offer of the Shortfall is a separate offer pursuant to this Prospectus and will remain open after the Closing Date for a period not exceeding three months. The issue price of any New Shares (together with one (1) free New Option for each New Share issued) offered pursuant to the Shortfall Offer shall be \$0.002 being the price at which the Entitlement Issue has been offered to Shareholders pursuant to this Prospectus.

The Directors and the Underwriter reserve the right to issue Shortfall at their absolute discretion.

4.5.1 Eligible Shareholders

Eligible Shareholders may, in addition to their Entitlement, apply under the Shortfall Offer, regardless of the size of their present holding.

Eligible Shareholders who wish to apply for Shortfall above their Entitlement can complete the appropriate boxes on the Entitlement and Acceptance Form accompanying this Prospectus and return it together with a cheque for the value of those Shortfall Securities (at \$0.002 per Shortfall Share) to the Share Registry or make a BPAY® in excess of the total value of your Entitlement. For each Shortfall Share issued, Eligible Shareholders will also receive one (1) free New Option.

4.5.2 Other investors

Other investors identified by the Underwriter can apply for the Shortfall by completing the Entitlement Issue Shortfall Application Form attached to this Prospectus and returning it together with a cheque for the value of those Shortfall Securities (at \$0.002 per Shortfall Share) to the Share Registry. For each Shortfall Share issued, other investors will also receive one (1) free New Option

Allocation of the Shortfall is at the discretion of the Directors and the Underwriter and is subject to the terms of the Underwriting Agreement. There is no guarantee that Eligible Shareholders will receive the Shortfall Securities applied for.

No applicant will acquire a relevant interest in more than 20% of the voting Shares on completion of the Entitlement Issue and Shortfall Offer.

Shortfall Securities will only be issued if the Entitlement Issue is undersubscribed and will be issued to the extent necessary to make up the shortfall in subscriptions. The Directors and Underwriter reserve the right to reject any application for Shortfall Securities or to allot a lesser number of Shortfall Securities than applied for or not proceeding with the issuing of Shortfall Securities or part thereof. If the number of Securities issued is less than the number applied for on the Entitlement and Acceptance Form or Shortfall Application Form, surplus Application Monies will be refunded in full as soon as practicable after the closing date of the Shortfall Offer. Interest will not be paid on Application Monies refunded.

4.6 Official Quotation on ASX

Application for official quotation by ASX of the Securities offered pursuant to this Prospectus will be made on the date of this Prospectus. If ASX does not grant Official Quotation of the Securities offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as is varied by the ASIC), the Company will not issue any Securities and will repay all Application Monies for the Securities within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.7 Issue of Securities

Securities issued pursuant to the Entitlement Issue will be issued in accordance with the ASX Listing Rules and the timetable set out in Section 3 of this Prospectus.

Securities issued pursuant to the Shortfall will be issued in accordance with the terms of the Underwriting Agreement and otherwise as soon as practicable after the Closing Date. Where the number of Shortfall Securities issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending issue of the Securities or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on such bank account and each Applicant waives the right to claim any such interest.

4.8 Overseas Shareholders

The Entitlement Issue does not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such offers or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address as at the Entitlement Record Date which is outside Australia or New Zealand.

The Entitlement Issue is being made in New Zealand pursuant to the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

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

4.9 Taxation Implications

The Directors do not consider that it is appropriate to give Applicants advice regarding the taxation consequences of applying for Securities under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Securities offered pursuant to this Prospectus.

4.10 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing Share and Option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.11 Privacy Act

If you complete an application for Securities, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds, and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and Option Holder and carry out administration.

The information may also 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 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 Prospectus.

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 application for Securities, the Company may not be able to accept or process your application.

4.12 Risk Factors

Prospective investors in the Company should be aware that subscribing for Securities the subject of this Prospectus involves a number of specific risks, including (but not limited to):

- integration risks of recent acquisition of DMCR;
- limited operating history of DMCR;
- attracting traffic to the Internet-based platforms;
- no prior market for the Company's New Options;
- going concern; and
- the ability to obtain future funding and the requirement for further funding.

Details of these risks and other risks are set out in Section 7 of this Prospectus and investors are urged to consider those risks carefully (and, if necessary, consult their professional adviser) before deciding whether to invest in the Company.

The risk factors set out in Section 7 of this Prospectus, and other general risks applicable to all investments in listed securities not specifically referred to, may in the future affect the value of the Securities. Accordingly, an investment in the Company should be considered speculative.

4.13 Enquiries

Any questions concerning the Entitlement Issue should be directed to the Company on +61 2 8456 0555 or contact your professional adviser.

SECTION 5: PURPOSE AND EFFECT OF THE ENTITLEMENT ISSUE

5.1 Purpose of the Entitlement Issue

The purpose of the Entitlement Issue is to raise up to approximately \$822,400 (before expenses). The proceeds of the Entitlement Issue is planned to be used in accordance with the table set out below:

Proceeds of the Entitlement Issue	\$
Costs associated with marketing and development of the DMCR business unit	200,000
Costs associated with ongoing research and development and technical costs of the Marketboomer business unit	100,000
Repayment of short term debt	225,000
Completion and development of acquisitions	50,000
General working capital and corporate administration costs	147,400
Estimated expenses of the Entitlement Issue ¹	100,000
Total	822,400

Note:

1. Refer to Section 8.6 for further details relating to the estimated expenses of the Entitlement Issue.

In the event less than the full subscription is raised but more than the amount underwritten pursuant to the Underwriting Agreement is raised the amount allocated to general working capital and corporate administration costs will be reduced.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

5.2 Effect of the Entitlement Issue

The principal effect of the Entitlement Issue, assuming all Entitlements are accepted and no Options are exercised and no Convertible Notes are converted prior to the Entitlement Record Date will be to:

- increase the cash reserves by \$722,400 after completion of the Entitlement Issue after deducting the estimated expenses of the Entitlement Issue;
- increase the number of Shares on issue from 2,261,599,600 as at the date of this Prospectus to approximately 2,672,799,527 Shares following completion of the Entitlement Issue; and
- increase the number Options on issue from 401,160,041 as at the date of this Prospectus to approximately 812,359,968 Options following completion of the Entitlement Issue.

5.3 Consolidated Statement of Financial Position and Pro Forma Statement of Financial Position

The unaudited Consolidated Statement of Financial Position as at 30 April 2014 and Pro Forma Consolidated Statement of Financial Position as at 30 April 2014 set out below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The Pro Forma Consolidated Statement of Financial Position has been prepared assuming all Securities pursuant to the Entitlement Issue are issued, no Options are exercised and no Convertible Notes are converted prior to the Entitlement Record Date and including expenses of the Entitlement Issue.

These Consolidated Statements of Financial Position have been prepared to provide Investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Unaudited 30 April 2014 \$	Unaudited with material post- balance date adjustments ¹ 30 April 2014 \$	Unaudited Pro forma 30 April 2014 \$
CURRENT ASSETS			
Cash and cash equivalents	307,199	532,199	1,254,599
Trade and other receivables	766,444	766,444	766,444
Other current assets	26,256	26,256	26,256
Total Current Assets	1,099,899	1,324,899	2,047,299
NON-CURRENT ASSETS			
Other receivables	309	309	309
Property, plant & equipment	49,180	49,180	49,180
Intangible assets	4,532,847	4,532,847	4,532,847
Deferred tax assets	-	-	-
Total Non-Current Assets	4,582,336	4,582,336	4,582,336
TOTAL ASSETS	5,682,235	5,907,235	6,629,635
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	726,498	726,498	726,498
Other current liabilities	574,945	574,945	574,945
Borrowings	207,079	282,080	282,080
Redeemable convertible notes	175,000	175,000	175,000
Short-term provisions	321,515	321,515	321,515
Total Current Liabilities	2,005,037	2,080,038	2,080,038
NON-CURRENT LIABILITIES			
Borrowings	1,104,133	156,894	156,894
Other non-current liabilities	36,947	36,947	36,947
Long-term provisions	40,159	40,159	40,159
Total Non-Current Liabilities	1,181,239	234,000	234,000
TOTAL LIABILITIES	3,186,278	2,314,038	2,314,038
NET ASSETS	2,495,957	3,593,197	4,315,597
EQUITY			
Contributed equity	23,510,272	23,610,272	24,332,672
Reserves	130,130	132,543	132,543
Accumulated losses	(21,178,054)	(21,180,466)	(21,180,466)
Parent interests	2,462,348	2,562,349	3,284,749
Non-controlling interests	33,609	1,030,848	1,030,848
TOTAL EQUITY	2,495,957	3,593,197	4,315,597

Note 1: The following material post-balance date adjustments have been made to the pro forma Consolidated Statement of Financial Position of Qanda:

- Completion of placement of 50,000,000 Shares at \$0.002 per Share and free-attaching 50,000,000 Options to raise \$100,000, before costs;
- Advancement of loans of \$125,000 (refer to ASX announcement dated 29 May 2014 for further details);
- Completion of the Loan Restructure and Partial Disposal (refer to ASX announcement dated 29 May 2014 for further details).

5.4 Effect on Capital Structure

The effect of the Entitlement Issue on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised or Convertible Notes converted prior to the Entitlement Record Date, is set out below:

Shares	Number
Shares on issue at date of Prospectus	2,261,599,600
Shares offered pursuant to the Entitlement Issue	411,199,927
Total Shares after completion of the Entitlement Issue	2,672,799,527

Options ¹	Number
Options on issue at date of Prospectus	401,160,041
Options offered pursuant to the Entitlement Issue	411,199,927
Options to be issued pursuant to Underwriting Agreement ²	137,500,000
Total Options after completion of the Entitlement Issue	949,859,968

Convertible Notes	Number
Convertible Notes on issue at date of Prospectus ³	43,750,000
Convertible Notes offered pursuant to the Entitlement Issue	NIL
Total Convertible Notes after completion of the Entitlement Issue	43,750,000

Notes:

1. All Options are exercisable at \$0.002 each with an expiry date of 30 April 2017 and otherwise on the terms and conditions set out in Section 6.2.
2. Refer to Section 8.2 for further details of the terms of underwriting.
3. These Convertible Notes of \$75,000 and \$100,000 mature on 12 September 2014 and 16 September 2014, respectively. If all Convertible Notes were converted as at the date of this Prospectus a total of 175,000,000 Shares would be issued. Terms and conditions of these Convertible Notes were set out in the ASX announcement dated 9 March 2012 and the notice of meeting announced on 31 October 2012 in which Shareholders ratified the issue.

The capital structure as set out in the tables above on a fully diluted basis would be 3,797,659,495 Shares.

In the event a Shareholder does not participate in the Entitlement Issue but all Shares offered under this Prospectus are issued (based on the assumptions to the table above) the dilutionary effect of the Entitlement Issue will be approximately 15.4%.

A voluntary escrow period of 12 months from 19 February 2014 applies to 780,000,000 Shares issued to the vendors of DMCR.

5.5 Details of substantial holders

Based on publicly available information as at 11 June 2014, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Colada Investments Limited	300,000,000	13.26%
Goldoak Investments Limited	294,448,395	13.02%
Future Capital Development Fund Pty Ltd	292,524,461	12.93%
Simon Philip Wallace and Sievwrights Trustees Services No. 4 Ltd as trustee for Wallace Family Trust	168,453,372	7.45%
Bellite Pty Ltd ATF Meyer Family Trust	121,446,793	5.37%
Mr Geoffrey Garrott and Margaret Garrott ATF The Opal Trust	115,000,000	5.08%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Issue.

SECTION 6: RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Terms of Shares

There is only one class of share on issue in the Company, being fully paid ordinary shares. The rights attaching to Shares are:

- (a) set out in the constitution of the Company; and
- (b) in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares and of certain provisions of the Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

Voting

Subject to any restriction on voting imposed due to a breach of the Listing Rules relating to restricted shares or any escrow agreement entered into by the Company and a member, every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her, but, in respect of partly-paid shares, shall have a fraction of a vote for each partly-paid share.

A poll may be demanded before a vote is taken, or before or immediately after the declaration of the result of the show of hands by the chairperson of the meeting, by at least five Shareholders present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of all those Shareholders having the right to vote on the resolution.

Dividends

Subject to the Corporations Act, the Constitution, the ASX Listing Rules and any rights or restrictions attached to a class of shares, the Company may, as resolved by the Directors, pay dividends out of the Company's profits. The Directors may determine the method and time for payment of the dividend.

Transfer of Shares

Generally, shares are freely transferable, subject to satisfying the requirements of the ASX Listing Rules, ASX Settlement Operating Rules and the Corporations Act.

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX or the Corporations Act for the purpose of facilitating transfers in shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors may refuse to register any transfer of Shares, other than a market transfer, where permitted or required by the Listing Rules, the ASX Settlement Operating Rules, the Corporations Act or under the Constitution. The Company must comply with such obligations as may be imposed on it by the Listing Rules and where appropriate the ASX Settlement Operating Rules in connection with any market transfer and may not prevent, delay or in any way interfere with the registration of a market transfer where to do so would be contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

Meetings and Notice

Each Shareholder is entitled to receive notice of and to attend general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules.

Under the Corporations Act, a notice must currently be provided to the shareholders of a listed entity at least 28 days in advance of a meeting.

Further issues of Shares

Subject to any restrictions on the allotment of Shares imposed by the Corporations Act, the Listing Rules or any special rights of the holders of Shares or a class of Shares, the allotment and issue of Shares is under the control of the Directors, who may issue and cancel shares on such terms and conditions as they see fit.

In addition, the Board has the power to grant to any person an option over unissued Shares for such consideration as it determines.

Winding Up

Subject to the Corporations Act, the ASX Listing Rules, the Constitution and any rights and restrictions attached to a class of Shares, on a winding up of the Company any surplus must be divided among the Shareholders in proportion to the Shares held by them.

A liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as the liquidator considers fair on any property to be divided, and may determine how the division is to be carried out as between the Shareholders. The liquidator may, with the sanction of a special resolution of the Shareholders, vest the whole or any part of the property in trustees on such trusts for the benefit of contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

Shareholder Liability

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will, therefore, not become liable for forfeiture.

Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. At least 28 days written notice specifying the nature of the resolution must be given.

Indemnity

The Company (except as may be prohibited by Part 2D of the Corporations Act) indemnifies every officer, auditor and agent of the Company against any liability incurred by him or her in his or her capacity as officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring, or in defending any proceedings, whether civil or criminal.

6.2 Terms and Conditions of New Options

The 411,199,927 New Options forming part of the Entitlement Issue have the following terms and conditions:

a) Exercise Price

The exercise price of each Option is \$0.002.

b) Entitlement

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

c) Option Period

The Options will expire at 5.00pm WST on 30 April 2017 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the expiry date and Options not exercised shall automatically expire on the Expiry Date.

d) Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of allotment.

e) Voting

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

f) Transfer of an Option

Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

g) Method of Exercise of an Option

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise of Options**). Options may be exercised by the Option Holder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 2,500 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 2,500, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Notice of Exercise of Options by an Option Holder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$0.002 per Share.
- (iii) Subject to paragraph (g)(i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- (v) The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when quoted Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

h) ASX Quotation

The Company will apply for quotation of the Options on the ASX.

i) Reconstruction

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

j) Participation in New Share Issues

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

k) No Change of Options' Exercise Price or Number of Underlying Shares

There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

SECTION 7: RISK FACTORS

7.1 Introduction

Applicants should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities. Potential Applicants should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Risks specific to the Company

The Shares offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX.

In addition to the risks outlined above, there is a range of specific risks associated with the Company's business operations and its involvement with Internet based platforms and intellectual property. Potential investors in the Company should note the following additional risks set out below prior to investing.

7.2.1 Going concern risk

In the Annual Report to Shareholders dated 27 September 2013, the Company's Auditor made the following note:

"Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the Group has incurred a net loss from continuing operations of \$1,710,963 during the financial year and has an excess of current liabilities over current assets of \$136,576 as at 30 June 2013. On the basis of the factors indicated in Note 1, there is a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business."

The Directors believe that there are sufficient funds to meet the Company's working capital requirements.

As outlined in the Annual Report to Shareholders, the Directors are of the opinion that there are reasonable grounds to believe that the Company will be able to continue as a going concern post 30 June 2013 after consideration of the following factors:

- The current business development prospects show an increase in activity and should lead to increasing ongoing revenue;
- The recent release of a substantially updated version of the Marketboomer business unit's web-based procurement platform, Purchase Plus, the results of which are having a positive impact on the Group;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business units progress; and
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will produce improved results.

Post year end the Directors have developed a business plan that will result in a capital injection which includes the capital raising the subject of this Prospectus and included the acquisition of the DMCR business unit (**DMCR Acquisition**).

7.2.2 Integration risk of DMCR Acquisition

The operating results of the Group will depend on the success of management in integrating the DMCR Acquisition. There is no guarantee that the Company will be able to integrate this new acquisition into the Group successfully, or that any economic benefits will be able to be realised. There is a risk that the Company's future profitability and prospects could be adversely impacted if successful integration is not achieved in an orderly and timely fashion.

7.2.3 Limited operating history of DMCR

The DMCR business launched in 2010 and therefore has limited history. However, DMCR's limited operating history may not provide a meaningful basis for investors to evaluate the business, financial performance and prospects. Accordingly, investors should not rely on results of operations for any prior periods as an indication of future performance. Investors should consider the DMCR business and prospects in light of the risks, uncertainties, expenses and challenges that the business may face as an early-stage business operating in the collaborative consumption space. Going forward, DMCR may not be successful in addressing the risks and uncertainties that may arise and which may materially and adversely affect DMCR's business prospects.

DMCR experienced net losses in financial years ending 2011, 2012 and 2013. The DMCR business unit may not achieve profitability or avoid net losses in the future. Although gross profits have grown significantly in recent periods, such growth rates may not be sustainable and may decrease in the future. In addition, DMCR's ability to become profitable depends on its ability to control its expenses, which the Directors expect will increase as the DMCR business develops and expands. DMCR may incur losses in the future for a number of reasons, including the other risks described in this Prospectus, and the business may encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If the DMCR business unit fails to increase revenues at the rate anticipated or if expenses increase without a more rapid increase in revenues, the DMCR business unit may not be able to achieve or maintain profitability.

7.2.4 Attracting traffic to *drivemycarrentals.com.au* website

DMCR's revenues currently depend upon attracting sufficient web traffic to its website. The level of web traffic to the website directly influences the number of new users, the number of new drivers and renters, the number of new cars and car owners and other factors that affect the amount of revenues.

Various factors can affect the web traffic arriving at the DMCR website, including:

- Marketing and promotion: If our marketing and promotions efforts are not effective this will manifest itself as a lack of web traffic.
- Brand damage: Should the DMCR business unit suffer from reputational damage, web traffic could be affected.
- Search engine traffic: Search engines, such as Google, direct significant traffic to the DMCR website. Should these search engines make changes to their algorithms and procedures that direct this traffic, DMCR could see a substantial drop in new users, car listings and car rentals. For example, Google regularly updates the algorithms that determine the ranking of results it returns for any given search term. DMCR attempts to follow Google's guidelines and online best practice, but such changes could adversely affect its traffic.

A decline in traffic to DMCR's websites could lead to a decline in DMCR's ability to attract and retain drivers, renters, cars and car owners, which could in turn lead to a decline in car rentals being provided. This could adversely affect DMCR's revenues and its ability to continue to grow.

7.2.5 Marketplace liquidity risk

The DMCR business unit currently has a significant number of users, being car owners who help facilitate the DriveMyCarRental marketplace by listing their vehicle as being available for rent to drivers.

The Marketboomer business unit currently has a significant number of users, being suppliers who help facilitate the Purchase Plus marketplace by listing their products as being available for purchase to the hospitality industry.

Events such as security breaches, failures in computer networks, natural disasters, military or political interventions and changes in the regulatory environment in countries where the businesses have a significant user base could lead to a decline in the number of active users.

The marketplace is also dependent on a sufficient number of vehicles being listed and maintaining listing to service the demand of drivers and renters.

A decline in the Company's ability to maintain, or grow, a sufficient active user base could lead to a reduction in the volume and timeliness of responses to requested services or products, which could adversely impact upon the Group's level of service, transactions and/or revenue.

7.2.6 Marketplace fee risk

The DMCR and Marketboomer business units charge fees as part of facilitating and managing transactions on their respective marketplaces.

The business units may need to reduce the level of fees, for example as a result of competitive pressure or as a strategy to grow market share. A reduction in fees could lead to lower revenues overall or to slowing in the rate at which the business units' revenues grow.

Also, some fees are based on the value of the transactions. If the average value of the transactions decline, the business units could earn less revenue per transaction. If this occurred without concurrent increase in the number of transactions sufficient to offset the loss in per transaction revenue, this could lead to a decline in total revenues.

7.2.7 Customer service risk

Customers may need to engage with customer service personnel of the DMCR or Marketboomer business units in certain circumstances, such as if they have a question about the respective platforms, or if there is a dispute between users or between a user and the business unit. The business units need to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer service requests. Poor customer service experiences may result if the business units lose key customer service personnel, fail to provide adequate training and resources for customer service personnel or if the computer systems relied upon by customer service personnel are disrupted by technological failures.

This could lead to adverse publicity, litigation, regulatory enquiries and declines in users continuing to use the platforms, all of which may negatively impact upon the Company's revenues.

7.2.8 Reputational risks

DMCR and Marketboomer operate in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled users posting negative comments about the businesses in public forums may have a disproportionate effect on the Company's reputation and its ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory enquiries. This could negatively impact upon the Company's profitability.

7.2.9 Data loss, theft or corruption

DMCR and Marketboomer provide their marketplaces on Internet based platforms. Hacking or exploitation of some unidentified vulnerability in its platforms could lead to loss, theft or corruption of data.

This could render the platforms unavailable for a period of time while data is restored. It could also lead to unauthorised disclosure of users' data, with associated reputational damage, claims by users and regulatory scrutiny and fines.

Although the business units have strategies and protections in place to try to minimise security breaches and to protect data, these strategies might not be successful. In that event, disruption to the websites and unauthorised disclosure of user data could negatively impact upon the Group's revenues and profitability.

7.2.10 Hacker attacks

DMCR and Marketboomer rely upon the availability of its Internet-based marketplaces to provide services to users and to attract new users. Hackers could render the marketplaces unavailable through a distributed denial of service attack or other disruptive attack.

Although DMCR and Marketboomer have strategies in place to minimise such attacks, these strategies may not be successful. Unavailability of websites could lead to a loss of revenue whilst the business units are unable to provide its services. Further, it could hinder the business units' ability to retain existing users, increase their activity on its platforms and to attract new users, potentially having a material adverse impact upon the Group's growth.

7.2.11 Hosting provider disruption risks

Marketboomer relies upon its primary hosting provider Amazon Web Services (**AWS**), to maintain continuous operation of its Purchase Plus platform.

Should AWS suffer outages, for example due to catastrophic destruction of infrastructure following a natural disaster, service to the Purchase Plus platform may also be disrupted. If AWS ceased to offer its services to Marketboomer and Marketboomer was unable to obtain a replacement hosting provider quickly, this could also lead to disruption of service to the Purchase Plus platform.

Unavailability of the Purchase Plus platform could lead to a loss of revenue while Marketboomer is unable to provide its services. Further, particularly in the case of prolonged outages, such disruptions could have a material adverse impact upon Marketboomer's reputation. This could hinder Marketboomer's ability to retain existing users, increase their activity on its websites and to attract new users, potentially having a material adverse impact upon Marketboomer's growth.

7.2.12 Insurance

The Company, where economically feasible, may insure its operations in accordance with industry practice. However, even if insurance is taken out, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance of all risks associated with the Company's operations is not always available and where available the costs can be prohibitive.

The DMCR business includes a fleet insurance policy to cover owners and drivers of vehicles used for rental contracts created via the DMCR marketplace. The insurance policy requires DMCR to cover an initial component of claims, some or all of which may be recovered from the driver of the vehicle. From time to time, DMCR makes economic decisions which may result in DMCR not claiming on its fleet insurance policy and covering claims itself where it is beneficial to do so. DMCR's business plan takes into account the payment of the first component of claims and settlement of some other damages claims without claiming under the fleet policy.

DMCR has maintained a policy with the same insurer for over 4 years. The claims paid out by the insurer are less than the cumulative premiums paid by DMCR. DMCR continues to monitor its insurance position with a view to ensuring ongoing insurance coverage and with the experience developed over the last 4 years has undertaken discussions with possible alternative insurance providers. DMCR do not expect there to be an issue in relation to obtaining insurance, however there can be no guarantee that the current insurer will continue to offer insurance coverage that is commercially acceptable to DMCR and no guarantee that alternative insurance can be obtained on terms that may be commercially acceptable to DMCR.

7.2.13 Dependence on key personnel

Qanda's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract qualified personnel could have a material adverse effect on Qanda's businesses.

7.2.14 Limited prior market for the New Options

Prior to the recently completed bonus issue of Options to shareholders, there has been no public market for the Options and there can be no assurance regarding the future development of the market for Options. There can be no assurance for the price at which Options will trade on the ASX upon official quotation or that an active market for Options will develop or, if developed, that such a market will be sustained.

7.3 General Risks

7.3.1 Economic factors

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, and stock market processes. The Company's operations and Securities prices can be affected by these factors, which are beyond the control of the Company and its Directors. Domestic and world economic conditions may affect the performance of the Company. Factors such as rising or slowing demand for goods, inflation or interest rates could impact on sales, revenues and costs. In addition, exchange rate movements will affect revenues and expenses incurred in other currencies.

7.3.2 Share market conditions

Stock market conditions may affect the value of listed securities, regardless of the operating performance of the Company. Stock market conditions are affected by many factors such as:

- general economic outlook;
- movements in, or outlook on, interest rates and inflation rates;
- currency fluctuation;
- changes in investor sentiment towards particular market sectors;
- the demand for, and supply of, capital;
- liquidity of the Company's Shares or Options; and
- terrorism or other hostilities.

Investors should recognise that once the Shares or New Options are listed on ASX, the price of the Shares or New Options may fall as well as rise. In addition, recent world events have affected the price of securities in various sectors. Such events are unpredictable and their impact on individual companies or markets is beyond the control of the Company. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.3.3 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 the Company.

Any adverse developments in political and regulatory conditions in the countries in which the Company could conduct business, could materially affect the Company's prospects. Political 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 the Company as a whole.

7.3.4 Future capital needs and additional funding

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes its available cash and the net proceeds of the Entitlement Issue should be adequate to fund its business development activities, business plan and other Company objectives in the short term as stated in this Prospectus. Changes to operational requirements, market conditions, business opportunities and repayment of maturing debt may mean further funding is required by the Company, the group and/ or a business unit.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

7.3.5 Potential acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products or technologies. Any such future transaction would be accompanied by the risks commonly encountered in making acquisitions of companies, products or technologies.

7.4 Speculative Nature of Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities.

SECTION 8: ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s Securities.

This Prospectus is a “transaction specific prospectus”. In general terms “transaction specific prospectuses” are only required to contain information in relation to the effect of the issue of securities on a company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 30 June 2013 being the last financial statements for a financial year, of the Company lodged with the ASIC before the issue of this Prospectus;
 - (ii) any half year financial statements of the Company lodged with ASIC since the lodgement of the last financial statements for the year ended 30 June 2013 lodged with ASIC before the issue of this Prospectus; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2013 audited financial statements:

Date	Disclosure Notice Title
11/06/2014	Appendix 3B - Listed Options
30/05/2014	Letter to option holders - Bonus Issue
30/05/2014	Bonus Issue Prospectus
30/05/2014	Loan restructure and partial disposal of Marketboomer business unit
28/05/2014	Completion of further placement and secondary trading notice
15/05/2014	Resignation of Director and Final Director's Interest Notice
05/05/2014	QNA expands its marketplace with acquisition of Rentoid
30/04/2014	March 2014 Quarterly Report and Appendix 4C
03/04/2014	Marketboomer signs new strategic partnership
24/03/2014	Ceasing to be a substantial holder
24/03/2014	Change of registered office address
17/03/2014	Change in substantial holding
14/03/2014	Appendix 3B
14/03/2014	Completion of Placement and Secondary Trading Notice
13/03/2014	Extension of Convertible Note Facilities
06/03/2014	Completion of Placement and Capital Raising Update
04/03/2014	Trading Halt
28/02/2014	Investor Presentation - February 2014
27/02/2014	Half Year Report and Appendix 4D
25/02/2014	Change in substantial holding
25/02/2014	Ceasing to be a substantial holder
24/02/2014	Change in substantial holding
21/02/2014	Becoming a substantial holder
21/02/2014	Ceasing to be a substantial holder
20/02/2014	Becoming a substantial holder
20/02/2014	Becoming a substantial holder
19/02/2014	Initial Director's Interest Notice
19/02/2014	Issue of Shares and Secondary Trading Notice
19/02/2014	Completion of Acquisition of Drive My Car Rentals
30/01/2014	Appendix 4C - December 2013 Quarterly Report
10/01/2014	Results of Meeting
12/12/2013	Notice of Extraordinary General Meeting/Proxy Form
29/11/2013	Resignation of Director and Final Director's Interest Notice
29/11/2013	Results of Meeting

15/11/2013	Change in substantial holding
06/11/2013	Becoming a substantial holder
06/11/2013	Response to ASX Price Query
06/11/2013	Reinstatement to Official Quotation
06/11/2013	Acquisition of Drive My Car Rentals and Entitlement Issue
05/11/2013	Secondary trading notice
05/11/2013	Appendix 3B
31/10/2013	Notice of Annual General Meeting/Proxy Form
31/10/2013	Appendix 4C - September 2013 Quarterly Report
30/10/2013	Suspension from Official Quotation
28/10/2013	Trading Halt
25/10/2013	Initial Director's Interest Notice
25/10/2013	Appointment of director
24/10/2013	Market update
21/10/2013	Change of address
27/09/2013	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website at www.qandatechnology.com.

8.2 Underwriting Agreement

The Entitlement Issue is partially underwritten up to the first \$704,218, being 352,109,018 New Shares and 352,109,018 New Options (**Underwritten Securities**), by DJ Carmichael Pty Limited (**Underwriter**).

The Underwriter is required to subscribe for the Underwritten Securities within 5 Business Days of the Closing Date.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Underwriter a fee of 7% of the total amount underwritten by the Underwriter (or \$49,295 excluding GST) and issue the Underwriter (or its nominees) 137,500,000 New Options. The Company will seek shareholder approval for the issue of 137,500,000 New Options to the Underwriter at a general meeting proposed to be held in July 2014.

The obligation of the Underwriter to underwrite the Entitlement Issue is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if:

- (a) (**Indices fall**): the All Ordinaries Index as published by ASX is, at the close of trading on any Business Day after the date of the Underwriting Agreement, 4,904 or less
- (b) (**Share price**): the Company's Shares quoted on the ASX and trading under the ticker "QNA" have a closing price at any time after the date of the Underwriting Agreement which is less than \$0.002 for two consecutive trading days; or
- (c) (**Prospectus**): the Prospectus or the Offer is withdrawn by the Company; or
- (d) (**Copies of Prospectus**): the Company fails to provide sufficient copies of the Prospectus to the Underwriter as reasonably requested and such failure is not remedied within 2 days; or
- (e) (**No Official Quotation**): ASX notifies the Company or any other person that Official Quotation will not be or has not been granted for all the New Shares, New Options or Options to be issued to

the Underwriter by the Shortfall Notice Deadline Date or, having been granted, is subsequently withdrawn, withheld or qualified; or

(f) **(Supplementary prospectus):**

- (i) the Underwriter, having elected not to exercise its right to terminate its obligations under the Underwriting Agreement as a result of a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor, forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
- (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter; or

(g) **(Non-compliance with disclosure requirements):** it transpires that the Prospectus does not contain all the information required by section 713 of the Corporations Act; or

(h) **(Misleading Prospectus):** it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of section 713 of the Corporations Act) or if any statement in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive; or

(i) **(Restriction on issue):** the Company is prevented from issuing the New Shares, New Options and Options to be issued to the Underwriter within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or

(j) **(Withdrawal of consent to Prospectus):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent; or

(k) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date has arrived, and that application has not been dismissed or withdrawn; or

(l) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order in relation to the Prospectus under section 739 or any other provision of the Corporations Act; or

(m) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or

(n) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, North Korea, the United States of America, India or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or

(o) **(Secondary Trading):** it transpires that the Company is unable to issue a notice under section 708A(6) of the Corporations Act in relation to secondary trading of the Shortfall Securities; or

(p) **(Authorisation):** any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or

(q) **(Indictable offence):** a director or a senior manager of a Relevant Company is charged with an indictable offence in their capacity as a director or senior manager of the Company; or

- (r) **(Termination Events):** subject always to the material adverse effect qualification described below, any of the following events occurs:
- (i) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;
 - (ii) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
 - (iii) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) (Adverse change): an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
 - (v) (Error in Due Diligence Results): it transpires that any of the due diligence results or any part of the verification material conducted and prepared in relation to the Entitlement Issue was false, misleading or deceptive or that there was an omission from them;
 - (vi) (Significant change): a "new circumstance" as referred to in section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;
 - (vii) (Public statements): without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Prospectus, other than as required by law or the ASX Listing Rules;
 - (viii) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (ix) (Official Quotation qualified): the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation";
 - (x) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
 - (xi) (Prescribed Occurrence): a Prescribed Occurrence occurs;
 - (xii) (Suspension of debt payments): the Company suspends payment of its debts generally;
 - (xiii) (Event of Insolvency): an Event of Insolvency occurs in respect of a Relevant Company;
 - (xiv) (Judgment against a Relevant Company): a judgment in an amount exceeding \$25,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
 - (xv) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any Relevant Company, other than any claims foreshadowed by the Prospectus;

- (xvi) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter;
- (xvii) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;
- (xviii) (Timetable): there is a delay in any specified date in the timetable which is greater than 3 Business Days;
- (xix) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- (xx) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (xxi) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus or pursuant to the exercise of options existing at the date of the Prospectus;
- (xxii) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company;
- (xxiii) (Market Conditions): a suspension or material limitation in trading of securities generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, North Korea, the United States of America, India, the Peoples Republic of China, Israel or any member of the European Union or other international financial markets;
- (xxiv) (Material Breach): if the Company fails to rectify any material breach of the Mandate having been given 10 business days notice in writing by the Underwriter of such breach having occurred;
- (xxv) (Suspension): the Company is removed from the Official List or the Shares become suspended from Official Quotation without the prior consent of the Underwriter and that suspension is not lifted within 24 hours following such suspension; or
- (xxvi) (Hostilities): there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, North Korea, the United States of America, India, the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world.

The Underwriter may not exercise its rights under termination event (r) unless, in the reasonable opinion of the Underwriter reached in good faith, the occurrence of a Termination Event has or is likely to have, or two or more Termination Events together have or are likely to have:

- (s) a Material Adverse Effect; or
- (t) could give rise to a liability of the Underwriter under the Corporations Act or otherwise.

In the summary of the Underwriting Agreement:

"Event of Insolvency" means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, Controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;

- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
 - (i) appointing a person referred to in paragraphs (a) or (b);
 - (ii) winding up a corporation; or
 - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

"Force Majeure" means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

"Insolvency Provision" means any Act relating to insolvency, sequestration, liquidation or bankruptcy (including any Act relating to the avoidance of conveyances in fraud of creditors or of preferences, and any Act under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

"Material Adverse Effect" means:

- (h) a material adverse effect on the outcome of the Offer or on the subsequent market for the New Shares and New Options (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in New Shares or New Options); or
- (i) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole; or
- (j) the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement; or
- (k) a material adverse effect on the tax position of the Company and its Subsidiaries either individually or taken as a whole.

"Prescribed Occurrence" means:

- (l) a Relevant Company converting all or any of its Shares into a larger or smaller number of Shares;
- (m) a Relevant Company resolving to reduce its share capital in any way;
- (n) a Relevant Company:
 - (i) entering into a buy-back agreement (other than as previously announced to ASX); or
 - (ii) resolving to approve the terms of a buy-back agreement under section 257C or 257D of the Corporations Act;

- (o) a Relevant Company making an issue of, or granting an option to subscribe for, any of its Shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offer or the terms of this Agreement;
- (p) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (q) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (r) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property (other than previously disclosed to ASX);
- (s) a Relevant Company resolving that it be wound up;
- (t) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (u) the making of an order by a court for the winding up of a Relevant Company;
- (v) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (w) a Relevant Company executing a deed of company arrangement; or
- (x) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

"Relevant Company" means the Company and each Subsidiary.

1.1.1 "Subsidiary" means:

- (y) each company which at the date of execution of this Agreement or at the time of Completion is a subsidiary of the Company within the meaning of the Corporations Act; and
- (z) each company stated in the Prospectus whose issued capital is to be acquired by the Company, and any subsidiary of such company with thin the meaning of the Corporations Act.

8.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (i) the promotion or formation of the Company; or
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Entitlement Issue pursuant to this Prospectus; or
- (iii) the Entitlement Issue pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company or Entitlement Issue pursuant to this Prospectus.

Directors' interests in Securities of the Company at the date of this Prospectus are:

Director	Shares	Convertible Notes	Options	New Share Entitlement under Entitlement Issue	New Option Entitlement under Entitlement Issue
Mr Nathan Gyaneshwar	54,699,481	-	5,469,949	9,945,360 ¹	9,945,360 ¹
Mr Reuben Buchanan	-	-	-	-	-
Mr Adrian Bunter	14,681,050	-	1,468,105	2,669,282 ²	2,669,282 ²

Notes:

1. Mr Gyaneshwar has indicated that he does not intend to subscribe for his Entitlement under the Entitlement Issue.
2. Mr Bunter has indicated that he intends to subscribe for his Entitlement under the Entitlement Issue.

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares. The managing director has a contract of employment with the Company.

The Company paid to the Directors a total of \$266,081 for the year ended 30 June 2012 and \$261,151 for the year ended 30 June 2013. In addition to the above, the Directors have been paid fees totalling \$268,427 from 1 July 2013 until the date of this Prospectus. Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses properly incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

8.4 Interests and Consents of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner, nor any company with which any of those persons is or was associated, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (i) the promotion or formation of the Company; or
- (ii) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (iii) the Offer pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any expert, underwriter, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Prospectus, or to any firm in which any of those persons is or was a partner, or to any company with which any of those persons is or was associated, for services rendered by that person, or by the firm or the company, in connection with the formation or promotion of the Company or the Entitlement Issue pursuant to this Prospectus.

Pursuant to Section 716 of the Corporations Act, DJ Carmichael Pty Limited has given and has not withdrawn its consent to being named as Underwriter to the Entitlement Issue in the Corporate Directory of this Prospectus in the form and context in which it is named. DJ Carmichael Pty Limited has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

DJ Carmichael Pty Limited will be paid a cash underwriting fee of approximately \$49,295 in respect of the Entitlement Issue. DJ Carmichael Pty Limited will be issued (in its own capacity and/or as nominated) 137,500,000 New Options following completion of the Entitlement Issue and upon receipt of shareholder approval. The Company will seek shareholder approval for the issue of 137,500,000 New Options to the Underwriter at a general meeting proposed to be held in July 2014. Over the past two years, DJ Carmichael Pty Limited has been paid fees totalling \$38,578 (exclusive of GST and disbursements) for services provided to the Company.

Pursuant to Section 716 of the Corporations Act, Steinepreis Paganin has given, and has not withdrawn its consent to being named as solicitors to the Company in the Corporate Directory of this Prospectus in the form and context in which it is named. Steinepreis Paganin has not caused or authorised the issue of this Prospectus, does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus.

Steinepreis Paganin act as Solicitors to the Company. Steinepreis Paganin will be paid approximately \$7,500 for services in relation to this Prospectus. Over the past two years, Steinepreis Paganin has been paid fees totalling \$149,016 (exclusive of GST and disbursements) for services provided to the Company.

8.5 Legal Proceedings

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

8.6 Estimated Expenses of the Entitlement Issue

The estimated expenses of the Entitlement Issue (excluding GST) are as follows:

	\$
ASIC fees	2,225
ASX fees	8,412
Underwriting fees	49,295
Legal expenses	7,500
Printing, share registry and other expenses	32,568
Total	100,000

8.7 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: \$0.002 on 11 March 2014.

Lowest: \$0.001 on 22 April 2014.

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was \$0.001 on 10 June 2014.

8.8 Electronic Prospectus

Chapter 6D of the Corporations Act allows for distribution of an electronic prospectus and electronic application form (and the publication of notices referring to an electronic prospectus or electronic application form) on the basis that a paper prospectus is lodged with the ASIC (unless ASIC agrees in writing to electronic lodgement of the prospectus under Section 352 of the Corporations Act).

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the application form. If you have not, please phone the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an application form from a person if it has reason to believe that when that person was given access to the electronic application form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.10 Directors' Consent

Each of the Directors of Qanda Technology Ltd has consented to the lodgement of this Prospectus with the ASIC in accordance with Section 720 of the Corporations Act.



Signed on behalf of
Qanda Technology Ltd
Nathan Gyaneshwar
CEO/ Managing Director

SECTION 9: DEFINITIONS

Applicant means a person who applies for New Shares and New Options under the Entitlement Issue.

ASIC means the Australian Securities and Investments Commission.

ASX Settlement Operating Rules means the ASX Settlement Operating Rules issued by the ASX Settlement and Transfer Corporation Pty Limited.

ASX means the ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as appropriate.

Business Day means a day on which trading takes place on the stock market of ASX.

CHES means ASX Clearing House Electronic Sub-registry System.

Closing Date means the closing date of the Entitlement Issue, being 5.00pm (WST) on 30 June 2014.

Company, Qanda or Qanda Technology means Qanda Technology Ltd (ABN 60 066 153 982).

Constitution means the Company's Constitution as at the date of this Prospectus.

Convertible Note means a security issued by the Company convertible into Shares unless redeemed by the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company at the date of this Prospectus.

DMCR means Drive My Car Rentals Pty Ltd (ACN 075 505 494).

Dollar or \$ means Australian dollars.

Eligible Shareholders means Shareholders with a registered address which is in Australia or New Zealand that are registered as at the Entitlement Record Date.

Entitlement means the entitlement of an Eligible Shareholder.

Entitlement and Acceptance Form means the entitlement issue application form relating to the Entitlement Issue either attached to or accompanying this Prospectus.

Entitlement Issue means the offer pursuant to the Prospectus of 2 New Shares for every 11 Shares held by a Shareholder on the Entitlement Record Date to raise \$822,400 together with one New Option for every Share issued.

Entitlement Record Date means 5pm (WST) on 18 June 2014.

Expiry Date means 11 July 2015.

Listing Rules or ASX Listing Rules means the Listing Rules of the ASX.

New Option means an option to acquire a Share at an exercise price of \$0.002 on or before 30 April 2017 and otherwise on the terms set out in Section 6.2 of this Prospectus.

New Share means a Share offered pursuant to the Entitlement Issue.

SECTION 9: DEFINITIONS (cont'd)

Option means and option to acquire a Share.

Prospectus means this prospectus.

Qanda or **Qanda Technology** means Qanda Technology Ltd (ABN 60 066 153 982).

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Share Registry means Security Transfer Registrars Pty Ltd (ABN 95 008 894 488).

Shortfall means those Securities under the Entitlement Issue not applied for by Shareholders under their Entitlement.

Shortfall Application Form means the shortfall application form in relation to the Entitlement Issue attached to or accompanying this Prospectus.

Underwriter means DJ Carmichael Pty Limited (ABN 26 003 058 857).

Underwriting Agreement means the underwriting agreement dated 11 June 2014 between the Company and the Underwriter summarised at section 8.2 of this Prospectus.

WST means Western Standard Time.

QANDA TECHNOLOGY LTD

ACN 066 153 982

REGISTERED OFFICE: LEVEL 5, 181 MILLER STREET
NORTH SYDNEY NSW 2060
Tel: (61-2) 8456 0555 Fax: (61-2) 8456 0599

APPLICANT'S DETAILS:

Full name (PLEASE PRINT)

Title, Given Name(s) & Surname or Company Name

[illegible]

Joint Applicant #2 or <designated account>

[illegible]

Joint Applicant #3 or <designated account>

[illegible]

Postal Address (PLEASE PRINT)

Street

[illegible][illegible]

Suburb/Town

State

Post Code

[illegible]

ABN, Tax File Number or Exemption

Applicant #2

Applicant #3

--	--	--

CHES HIN or Existing SRN (where applicable)

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Number of Shares applied for	Application Money enclosed at \$0.002 per Share
	A\$.....

Please note that participants in the Shortfall will receive one (1) free New Option for every one (1) Share allotted and issued pursuant to the Shortfall.

I/We whose full name(s) and address appear above hereby apply for the number of Shares and Options shown above (to be allocated to me/us by the Company in respect of this Application) under the Prospectus on the terms set out in the Prospectus.

Cheque Details:

PLEASE ENTER
CHEQUE
DETAILS
THANK YOU

Drawer	Bank	BSB or Branch	Amount

My/Our contact numbers in the case of inquiry are:

Telephone ()

Fax ()

NOTE: Cheques should be made payable to "Qanda Technology Ltd", crossed "NOT NEGOTIABLE" and forwarded to the address outlined on the back of this Shortfall Application Form to arrive no later than **5.00 pm WST on that date which is 3 months after the Closing Date (or such earlier date as directed by the Company)**.

Declaration

This Shortfall Application Form does not need to be signed. By lodging this Shortfall Application Form and a cheque for the application money this Applicant hereby:

- (1) applies for the number of Shares and Options specified in the Shortfall Application Form or such lesser number as may be allocated by the Directors;
- (2) agrees to be bound by the Constitution of the Company; and
- (3) authorises the Directors to complete or amend this Shortfall Application Form where necessary to correct any errors or omissions.

INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Shortfall Application Form together with a cheque to the Company. If an Applicant has any questions on how to complete this Shortfall Application Form, please telephone the Company. The Form must be received by the Company no later than **5.00pm on the date which is 3 months after the Closing Date (or such earlier date as directed by the Company)**.

A. Application for Shares and Options

The Shortfall Application Form must only be completed in accordance with instructions included in the Prospectus.

B. Name of Applicant

Write the Applicant's FULL NAME. This must be either an individual's name or the name of a company. Please refer to the bottom of this page for the correct form of registrable title. Applications using the incorrect form of registrable title may be rejected.

C. Name of Joint Applicants or Account Designation

If JOINT APPLICANTS are applying, up to three joint Applicants may register. If applicable, please provide details of the Account Designation in brackets. Please refer to the bottom of this page for instructions on the correct form of registrable title.

D. Address

Enter the Applicant's postal address for all correspondence. If the postal address is not within Australia, please specify Country after City/Town.

E. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Shortfall Application Form.

F. CHESS HIN or existing SRN Details

The Company participates in CHESS. If the Applicant is already a participant in this system, the Applicant may complete this section with their existing CHESS HIN. If the applicant is an existing shareholder with an Issuer Sponsored account, the SRN for this existing account may be used. Otherwise leave the section blank and the Applicant will receive a new Issuer Sponsored account and statement.

G. Cheque Details

Make cheques payable to "Qanda Technology Ltd" in Australian currency and cross them "**Not Negotiable**". Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Shortfall Application Form.

H. Declaration

By completing the Shortfall Application Form, the Applicant will be taken to have made to the Company the declarations and statements therein. The Shortfall Application Form does not need to be signed.

If a Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept a Shortfall Application Form, and how to construe, amend or complete it, shall be final. A Shortfall Application Form will not however, be treated as having offered to subscribe for more Shares and Options than is indicated by the amount of the accompanying cheque.

Forward your completed application together with the application money to:

**Qanda Technology Ltd
Level 5, 181 Miller Street
North Sydney NSW 2060**

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities are allowed to hold securities. Shortfall Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Shortfall Application Forms cannot be completed by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mr John Alfred Smith	J A Smith
Company Use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings Use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts Use the trustee(s) personal name(s).	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates Use the executor(s) personal name(s).	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18) Use the name of a responsible adult with an appropriate designation.	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships Use the partners personal names.	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names.	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s).	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds Use the name of the trustee of the fund.	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund