

ASX AND MEDIA RELEASE

29 September 2016

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

On 23 August 2016, Q Technology Group Limited (ACN 009 259 876) (ASX: QTG) (**QTG** or the **Company**) issued a cleansing notice under 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**) (as modified by ASIC Class Order 2016/84 (**CO 2016/84**)), in respect of a non-underwritten, non-renounceable, pro-rata entitlement offer of 1 new fully paid ordinary share (**New Share**) for every 1 ordinary share held as at 7:00pm (AEST) on 30 August 2016, and as announced by the Company on 23 August 2016 (the **Rights Issue**).

On 29 September 2016, the Company made a further announcement regarding the Rights Issue, in accordance with section 708AA(10) of the Act (the **Announcement**).

Further details regarding the Rights Issue are set out in the Offer Document lodged with ASX on 23 August 2016, and in the Announcement.

The Company hereby gives notice under section 708AA(2)(f) of the Act that:

- (a) the Company will offer New Shares under the Rights Issue for issue without disclosure to investors under Chapter 6D.2 of the Act, as modified by CO 2016/84.
- (b) the Company is providing this notice under section 708AA(2)(f) of the Act, as modified by CO 2016/84.
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act.
- (d) as at the date of this notice, there is no information that is 'excluded information' (within the meaning of sections 708AA(8) and 708AA(9) of the Act); and
- (e) the potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company is as follows:
 - (i) if all eligible shareholders take up their entitlement under the Rights Issue, the issue of New Shares under the Rights Issue will have no effect on the control of QTG, and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue.
 - (ii) in the event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Rights Issue and ineligible shareholders unable to participate in the Rights Issue will be diluted relative to those shareholders who subscribe for some or all of their entitlement. In addition, it is noted that the Company's two major substantial shareholders, Helmsman Funds Management Limited as trustee for the Helmsman Capital Fund Trust IIA (**Helmsman**) and Cherryoak Investments Pty Ltd for C&N Family A/C (**Cherryoak**), own approximately 33.18% and 11.48% respectively of QTG ordinary shares on issue. Should it eventuate that:

(A) **Helmsman** takes up its full entitlement under the Rights Issue but:

- (I) **no other eligible shareholders** take up any of the New Shares being offered under the Rights Issue (including under the shortfall offer),

Helmsman would hold approximately 49.83% of the expanded share capital of QTG following the completion of the Rights Issue.

- (II) **25% of other eligible shareholders** take up the New Shares being offered under the Rights Issue (including under the shortfall offer), Helmsman would hold approximately 44.28% of the expanded share capital of QTG following the completion of the Rights Issue.
 - (III) **50% of other eligible shareholders** take up the New Shares being offered under the Rights Issue (including under the shortfall offer), Helmsman would hold approximately 39.84% of the expanded share capital of QTG following the completion of the Rights Issue.
 - (IV) **75% of other eligible shareholders** take up the New Shares being offered under the Rights Issue (including under the shortfall offer), Helmsman would hold approximately 36.21% of the expanded share capital of QTG following the completion of the Rights Issue.
- (B) **Cherryoak** takes up its full entitlement under the Rights Issue but:
- (I) **no other eligible shareholders** take up any of the New Shares being offered under the Rights Issue (including under the shortfall offer), Cherryoak would hold approximately 20.59% of the expanded share capital of QTG following the completion of the Rights Issue.
 - (II) **25% of other eligible shareholders** take up the New Shares being offered under the Rights Issue (including under the shortfall offer), Cherryoak would hold approximately 17.18% of the expanded share capital of QTG following the completion of the Rights Issue.
 - (III) **50% of other eligible shareholders** take up the New Shares being offered under the Rights Issue (including under the shortfall offer), Cherryoak would hold approximately 14.74% of the expanded share capital of QTG following the completion of the Rights Issue.
 - (IV) **75% of other eligible shareholders** take up the New Shares being offered under the Rights Issue (including under the shortfall offer), Cherryoak would hold approximately 12.90% of the expanded share capital of QTG following the completion of the Rights Issue.

Other eligible shareholders taking up New Shares under the Rights Issue (and the shortfall offer) would result in a correspondingly smaller increase in Helmsman and Cherryoak's percentage holding of QTG ordinary shares following completion of the Rights Issue.

In the event of a shortfall, the Company has adopted an allocation policy in respect of New Shares applied for under the shortfall offer, whereby, no eligible shareholder will be allotted additional New Shares under the Rights Issue to the extent that:

- (a) such allotment would result in that person acquiring a relevant interest exceeding 20% of the issued share capital of the Company on a post issue basis; or
- (b) where that person already holds a relevant interest exceeding 20% of the issued share capital of the Company, such allotment would result in that person increasing their relevant interest, other than as a result of accepting their entitlement.

The directors the Company, in allocating additional New Shares under the shortfall offer, will do all things reasonably necessary to allocate additional New Shares on a basis that mitigates any control implications on the Company.



Signed for and on behalf of the Company

Douglas Potter
Chairman
Q Technology Group Limited

About Q Technology Group Limited

Q Technology Group Limited is based in Melbourne, Victoria. The Group has annualised revenues of approximately \$22 million and comprises Q Security Solutions a leader in the supply and support of high quality CCTV, video switching, networking, alarm & access control products in the Australasian market.

For more information on the Company please visit
<http://www.qtechnologygroup.com.au>
<http://www.qsecuritysystems.com.au>