

## **ASX ANNOUNCEMENT**

25 August 2016

### **Pro Rata Non-Renounceable Rights Issue – Notice to Shareholders**

Attached are copies of the following two letters which have been sent today in relation to the rights issue announced on 23 August 2016 by Q Technology Group Limited (**Q Technology** or the **Company**) (the **Rights Issue**):

- (a) Letter to shareholders of Q Technology who have registered addresses in Australia or New Zealand as at the record date of 7.00pm (AEST) on 30 August 2016, and are eligible to participate in the Rights Issue (**Eligible Shareholders**); and
- (b) Letter to shareholders of Q Technology who have registered addresses outside Australia or New Zealand as at the record date of 7.00pm (AEST) on 30 August 2016, and are not entitled to participate in the Rights Issue (**Ineligible Shareholders**).

Mr Douglas Potter  
Chairman

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### **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 Services, 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> or <http://www.qsecuritysystems.com.au>

25 August 2016

Dear Shareholder,

## **NON-RENOUNCEABLE PRO RATA RIGHTS ISSUE – NOTIFICATION TO ELIGIBLE SHAREHOLDERS**

On 23 August 2016, Q Technology Group Limited (**Q Technology** or **Company**) announced a non-underwritten, non-renounceable pro rata rights issue, of new fully paid ordinary shares in the Company (**New Shares**) on the basis of 1 New Share for every 1 existing Share held by Eligible Shareholders on the Record Date, at an issue price of \$0.005 per New Share (**Offer Price**) to raise approximately \$1.96 million (**Rights Issue**).

The net funds raised from the Rights Issue will be used for working capital purposes.

### **Information about the Offer**

The Company announced the Offer and lodged the Offer Document with ASX on 23 August 2016.

The Offer is being made to Eligible Shareholders on the basis of the number of fully paid ordinary shares (**Shares**) held in the Company at 7.00 pm (AEST) on 30 August 2016 (**Record Date**). Under the Offer, Eligible Shareholders with a registered address in Australia or New Zealand will be able to subscribe for 1 New Share for every 1 Share held on the Record Date at an issue price of \$0.005 per New Share.

Key dates for the Offer are set out below.

Shareholders of the Company whose address in the Company's register of members is outside Australia or New Zealand are excluded from participating in the Offer.

Approximately 392,130,968 New Shares may be issued under the Offer resulting in total shares on issue of approximately 784,261,936. New Shares will rank equally with the Company's existing ordinary shares and the Company will apply to ASX for quotation of the New Shares.

Eligible Shareholders who take up their rights to subscribe for New Shares pursuant to the Offer Document (**Rights**) in full may also apply for additional New Shares under the Company's Shortfall Offer. For the purpose of calculating each Eligible Shareholder's Rights, fractions of Rights will be rounded up to the nearest whole number of Shares.

### **Dealing with your Rights**

The Rights under the Offer are non-renounceable. Accordingly, there will be no trading of Rights on the ASX, and Eligible Shareholders may not dispose of their Rights to subscribe for New Shares under the Offer to any other party.

### **Key dates for the Rights issue**

The indicative timetable for the Rights Issue is as follows.

## Key Dates

Announcement of the Offer	Tuesday, 23 August 2016
Cleansing Notice in respect of Rights Issue, Offer Booklet and Appendix 3B lodged with ASX	
Ex Date	Monday, 29 August 2016
Record Date	7.00 pm (AEST) on Tuesday, 30 August 2016
Dispatch of Offer Document and Entitlement and Acceptance Forms	Friday, 2 September 2016
<b>Closing Date</b>	<b>5.00pm (AEST) on Friday, 30 September 2016</b>
Quotation on a deferred settlement basis	Tuesday, 4 October 2016
Shortfall notification date	Wednesday, 5 October 2016
Allotment of New Shares	Friday, 7 October 2016
Trading of New Shares expected to commence on ASX	Monday, 10 October 2016

You are **not** required to do anything in response to this letter, which is provided for your information only, and does **not** constitute an offer of New Shares under the Offer.

An Offer Document will be sent to Eligible Shareholders together with a personalised Entitlement and Acceptance Form no later than 2 September 2016.

A copy of the Offer Document can also be viewed on the website of the ASX ([www.asx.com.au](http://www.asx.com.au)) or can be requested from the Company. Before deciding to acquire shares, you should read and consider the Offer Document in its entirety and, if in any doubt, consult with your professional advisor.

If you have any questions in relation to any of the above matters, please contact Q Technology's Company Secretary, Andrew Phillips, on (03) 9676 7000 (within Australia) or +613 9676 7000 (outside Australia).

Douglas Potter  
Chairman

25 August 2016

Dear Shareholder,

## **NON-RENOUCEABLE PRO RATA RIGHTS ISSUE – NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On 23 August 2016, Q Technology Group Limited (**Q Technology** or **Company**) announced a non-underwritten, non-renounceable pro rata rights issue, of new fully paid ordinary shares in the Company (**New Shares**) on the basis of 1 New Share for every 1 existing Share held by Eligible Shareholders on the Record Date, at an issue price of \$0.005 per New Share (**Offer Price**) to raise approximately \$1.96 million (**Rights Issue**).

The net funds raised from the Rights Issue will be used for working capital purposes.

This letter is to inform you about the Rights Issue, and to explain why you will **not** be able to subscribe for New Shares under the Rights Issue. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter

### **Information about the Offer**

The Offer is being made to Eligible Shareholders on the basis of the number of fully paid ordinary shares (**Shares**) held in the Company at 7.00 pm (AEST) on 30 August 2016 (**Record Date**). Under the Offer, Eligible Shareholders with a registered address in Australia or New Zealand will be able to subscribe for 1 New Share for every 1 Share held on the Record Date at an issue price of \$0.005 per New Share.

Key dates for the Offer are set out below.

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX, and Eligible Shareholders may not dispose of their rights to subscribe for New Shares under the Offer to any other party.

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

A person is eligible to participate in the Offer if they are a registered holder of Shares on the Record Date and have an address on the Company's share register in Australia or New Zealand.

The Company has determined, pursuant to ASX Listing Rule 7.7.1, that it is unreasonable to make the Offer to shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number and value of Shares held by Ineligible Shareholders, and the costs of complying with the legal and regulatory requirements which would apply to an offer of New Shares in those jurisdictions.

Accordingly, in compliance with ASX Listing Rule 7.7.1(a), Q Technology wishes to advise that as your registered address is in a place outside Australia or New Zealand, you are not eligible to participate in the Offer to subscribe for New Shares. You will not be sent the Offer Document relating to the Offer.

### **Nominee appointed to sell Ineligible Shareholders rights**

The Company has appointed D2MX Pty Ltd (AFSL297950) (subject to approval by ASIC) (**D2MX**) as the Company's foreign holder nominee to sell the securities that would otherwise have been offered to the Ineligible Shareholders had they been eligible to participate in the Rights Issue.

D2MX has agreed to place offers on ASX to sell the securities that would have been offered to you and send you any net proceeds from the sale. D2MX will have absolute and sole discretion to determine the timing and price at which the securities are sold and the manner of any such sale. Any interest earned on the proceeds of the sale of the rights will firstly be applied against expenses of the sale,

including brokerage, and any balance will form part of the proceeds payable to the Ineligible Shareholders (if any).

The Company will forward the proceeds of the sale of the securities (if any) as soon as reasonably practicable to Ineligible Shareholders in proportion to their respective shareholdings, after deducting the brokerage commission and other expenses. If the net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, the proceeds may be retained by the Company.

Despite D2MX being required to sell the securities, Ineligible Shareholders may nevertheless receive no proceeds if costs of the sale are greater than the sale proceeds.

### Timetable

The indicative timetable for the Rights Issue is as follows.

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Douglas Potter  
Chairman

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