

# qanda technology.

5 November 2014

Dear Shareholder

I am writing to provide you with information regarding the Company's recently announced Share Purchase Plan (**SPP**).

On 5 November 2014 Qanda Technology Ltd (**Qanda** or the **Company**) announced a Share Purchase Plan. This provides each shareholder with the opportunity to increase their holding in Qanda by subscribing for up to \$15,000 worth of new shares in the Company at a price of 0.2 cents (\$0.002) per share.

There were three key drivers behind the Company's decision to launch an SPP:

1. To give existing shareholders the opportunity to subscribe for shares in the Company at an issue price of \$0.002 per share given the recent placement to institutional and sophisticated investors.
2. To provide existing shareholders that hold an unmarketable parcel of shares (being less than \$500 worth of shares) with the opportunity to increase their holding to a marketable parcel level without having to incur brokerage fees.
3. To provide modest additional funding capacity to scale the Company's collaborative consumption opportunities more rapidly and prepare to launch the existing platform into new product categories.

At present, the Company has a large number of shareholders who hold less than a marketable parcel of securities (worth less than \$500, based on the latest closing sale price of the Company's securities on ASX). Following completion of the SPP and in accordance with the Company's Constitution, the Company intends to undertake a sale of unmarketable parcels of shares. Therefore, preferential allocation of new shares issued under the SPP will be given to applications from smaller shareholders who currently have less than a marketable parcel size holding.

Due to the drivers outlined above for undertaking the SPP, the Board plans to limit the total funds raised under this SPP to a maximum of \$250,000. Should demand exceed this amount the directors of the Company will consider increasing the number of shares to be issued under this SPP to the maximum amount permitted by the Listing Rules, ie 30% of the number of shares already on issue.

An Offer document relating to the SPP will be despatched to eligible shareholders on or about Friday, 7 November 2014.

As previously announced to the market, the Company is putting a resolution to the upcoming annual general meeting (**AGM**) to be held on 28 November 2014 to undertake a consolidation of capital such that every 10 securities be consolidated into 1 security (**Consolidation**). Following the completion of the SPP and pursuant to the notice of AGM dated 28 October 2014 (**Notice of Meeting**), the effect which the Consolidation will have on the capital structure of the Company is as follows:

	Number of Shares	Number of Options	Number of Notes
Balance at the date of the Meeting (assuming 125,000,000 shares are issued under the SPP)	3,236,683,851	1,208,369,292	18,750,000
To be issued pursuant to Resolution 7 of the Notice of Meeting	-	53,000,000	-
To be issued pursuant to Resolutions 8 and 9 of the Notice of Meeting	-	20,000,000	-
Post Consolidation	<b>323,668,385</b>	<b>128,136,929</b>	<b>1,875,000</b>

Refer to the Notice of Meeting for further details of the proposed Consolidation.

I would like to thank you for your ongoing support of our Company. I am confident that we have the strategy, assets and people in place to deliver strong future returns for shareholders. The Board and management are optimistic about our prospects for growth in 2015 and we look forward to sharing in this exciting time with each of you.

Yours faithfully



**Chris Noone**  
**CEO and Director**