



XPD Soccer Gear Group Limited
ABN 96 169 695 283

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9 April 2018

ASX Limited
20 Bridge Street
Sydney, NSW 2000

UPDATE

As noted in ASX releases of 30 March 2018 the Company has averted the immediate issue of being delisted. However we do reiterate that ASX have reserved their right to delist the Company at any point.

This should be tempered by also noting that the Company is now in regular communications with ASX and we would hope to continue to work with them to avoid that outcome.

A key issue remains the lodgment of a Form 604 for the shareholder Chou Qin International Co. Limited ("Chou Qin") to the satisfaction of the ASX and ASIC. Associated with that, and perhaps flowing from it, are the appropriate forms 3Z for retired Director Mr. Shui-Chao Chang and 3Y for incumbent Director Mr Jiamen Zhang.

Whilst the Form 604 is the responsibility of the substantial shareholder, it has also become the responsibility of the Company as it is central to the eventual reinstatement of the Company. To that end the Company notes that:

- 234,904,834 shares were released from voluntary escrow on 21 November 2016 in favour of Chou Qin;
- On the same date Chou Qin executed a loan agreement whereby a significant number of these shares were pledged as part of a loan security;
- Our share registry has provided us with information as to all movements from Chou Qin immediately following the release from escrow and we are now examining those movements; and
- We have issued tracking notices late last week to a number of nominee companies that have been active in the movement of shares during 2017, or are currently holding significant parcels of shares.

We hope to be able to shed more light on this issue in the near future through the release of an acceptable Form 604 (and associated 3Y and 3Z).

We are awaiting notice from the ASX as to conditions of reinstatement, but we are already aware that it will include a requirement to lodge audited accounts for the year ended 31 December 2017. Our current best estimates are that we should be able to lodge such accounts by 30 June 2018, and to then hold the 2017 AGM during July 2018.

We must note that the audit has not yet commenced and we are working to have it commenced as soon as possible.

The undersigned directors are not currently in a position to foreshadow what those audited accounts might look like. We can advise we have been provided simple internal financial statements from management that would indicate that the Company has continued to trade positively and commensurately with previous years.

Further the Federal Court has accepted the Memorandum of Consent Orders agreed between

the Company and Mejority Capital Limited, which now allows Mejority access to the documents which it seeks.

Yours sincerely,



Simon Lill
Director



Neil Sheather
Director