

22 August 2018

ASX Limited  
20 Bridge Street  
Sydney, NSW 2000

Attn: Ms. Luxmy Wigneswaran

Dear Ms. Wigneswaran,

**RELEASE: APPENDIX 4G & CORPORATE GOVERNANCE STATEMENT 31 DECEMBER 2017**

In response to ASX's letter to XPD Soccer Gear Group Limited ("XPD" or "Company") dated 27<sup>th</sup> July 2018, we will note that the Company in providing its initial response on 8 August 2018 had acknowledged it had provided the ASX with the initial 4G and Corporate Governance Statement for the year ended 31 December 2017. It has since been working with the ASX to ensure these documents were acceptable, with the issues mainly occurring because of the number of Board changes during that year and the new Australian Director's inability to verify many of the Corporate Governance issues.

XPD now provides the following documents:

1. Appendix 4G and the Company's Corporate Governance Statement for the period ending 31 December 2017.

It should be noted that the attached disclosure documents cover the period to 31 December 2017, during which time Messrs. Lill and Sheather were not involved with the company. During the same period there was also a high turnover of Directors at the Company. We have had limited visibility over the previous Board's approach to Corporate Governance matters but believe the attached statement's to be correct.

2. The Corporate Governance Review completed by Steinepreis Paganin.
3. The Company's updated Corporate Governance Plan.

The current Board of Directors are committed to good corporate governance principles and will be adopting the recommendations of the recent corporate governance review.

4. We further note our requirement under LR 4.10.4 to include details of Chou Qin International Co. Ltd's substantial holding on page 67 of the Annual Report. We also attach a correction noting the error.

XPD also acknowledges receipt of the ASX letter dated 17 August 2018 and anticipate providing a partial response to the ASX shortly. We are currently seeking the requested legal advice which will take longer.

Finally, we note the requirement to pay ASX Listing Fees by 28 August 2018 as announced on the XPD platform today. The Company has been aware of that date and has deliberately withheld payment pending the ASX's consideration of the issues the subject of this announcement and the ultimate reinstatement to trading of the Company.

The Company expects to make the payment by the due date.

Yours sincerely,



**Simon Lill**  
**Chairman**



**Neil Sheather**  
**Director**