

20 May 2020

### **Update on Legal Action - Jinjiang**

As advised to the ASX on 6 February 2020, the pending Court Hearing was delayed in China due to Covid-19 issues.

The Court reconvened on Friday 24<sup>th</sup> April 2020 to further consider the case by XPD Soccer Gear Group Limited (“XPD”) and its wholly owned subsidiary, China Soccer Holdings Co, Ltd (“China Soccer”) against Jinjiang Chaoda Shoes and Garment Co. Limited (“Chaoda”).

Chaoda had solicitors defending the action who raised a number of issues in defense of the action, dominantly relating to the corporate validity of the actions brought by China Soccer in mid 2019 within its Constitution and the Law of Hong Kong.

All issues raised by Chaoda’s solicitors were rebutted.

The presiding Panel of Judges decided they could not make a Judgment on the case as they did not have sufficient knowledge of Hong Kong legislation.

The panel concluded the Hearing by requiring that XPD and China Soccer provide the Panel with a written legal opinion from a Court approved Hong Kong lawyer as to:

- Are the China Soccer’s Board resolutions from 2019 considered items under its constitution that would disqualify representatives of Chaoda from voting;
- What process is required to be followed under HK legislation to qualify a Director, and was this process followed correctly;
- Are the Resolutions compliant with China Soccer’s Constitution and legally valid under HK Law.

XPD utilized its solicitors, KWM’s Hong Kong office to prepare and settle all documents and believe all Resolutions are compliant with China Soccer’s constitution and HK Law.

Chaoda’s argument is that there is no conflict and hence Zhang Jiameng was not properly notified of Board changes. XPD argue that there is a clear conflict, but that he was properly notified and that all actions were taken in accordance with Hong Kong Law.

The Legal Opinion was to be provided to the Court by 5 June 2020 with the next Court Hearing anticipated to be on or about 19 June 2020..

If any shareholders have further queries we would encourage them to contact us directly on [xpd@meioritycapital.com.au](mailto:xpd@meioritycapital.com.au)

This ASX report is authorised for release by the Board of XPD.

**END**



**Simon Lill**  
**Director**