

XPD Soccer Gear Group Limited
ACN 169 695 283

Supplementary Prospectus

IMPORTANT NOTICE

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 27 February 2015 (**Prospectus**) issued by XPD Soccer Gear Group Limited ACN 169 695 283 (**Company**).

This Supplementary Prospectus is dated 16 March 2015 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out below, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.xpdsoccer.com.au.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you have any questions about the Shares being offered under the Prospectus and Supplementary Prospectus, or any other matter, you should consult your professional advisers without delay.

1. SUPPLEMENTARY PROSPECTUS

1.1 Reasons for this Supplementary Prospectus

This Supplementary Prospectus has been prepared to:

- remove references to the indicative market capitalisation of the Company upon completion of the Offer;
- confirm that China Soccer Holdings Co., Ltd does not carry on any business activities other than being the holding company of Chaoda, and does not have any material liabilities;
- insert a table showing the percentage contributions of XPD Group's top 10 customers to total sales;
- confirm that there are no existing loan arrangements in place between XPD and Chaoda;
- highlight the risk associated with trade liquidity in the Shares; and
- highlight the risk associated with the FY2011 and FY 2012 accounts being subject to a qualified audit opinion.

1.2 Effect of this Supplementary Prospectus

The Company must give Applicants under the Prospectus who have lodged Applications for Shares prior to the date of this Supplementary Prospectus certain options as required by section 724(1) of the Corporations Act. However, as at the date of this Supplementary Prospectus, the Company has not received or accepted any Applications or money in relation to the Offer.

1.3 Application Forms

Applications for Shares under the Offer must be made using the application form attached to or accompanying this Supplementary Prospectus (**Supplementary Application Form**). Applications must NOT be made on the Application Form attached to or accompanying the Prospectus.

The Supplementary Application Form for the Offer contains detailed instructions on how it is to be completed and returned. In all other respects, the procedure for applying for Shares under the Offer is as set out in Section 2.1.2 of the Prospectus.

2. AMENDMENTS TO THE PROSPECTUS

2.1 Indicative market capitalisation

The tables in the "Key Offer Details" section of the Prospectus and Section C of Section 1 are deleted and replaced with the following:

“Key Offer Statistics	Minimum Subscription	Maximum Subscription
Offer price per share	\$0.20	\$0.20
Total number of Shares available under the Offer	25 million	75 million
Number of Existing Shares on issue	350 million	350 million
Total number of Shares on issue following the Offer	375 million	425 million
Total proceeds from the Offer	\$5 million	\$15 million
Total number of Broker Options on issue following the Offer ⁽¹⁾	0.625 million	1.875 million

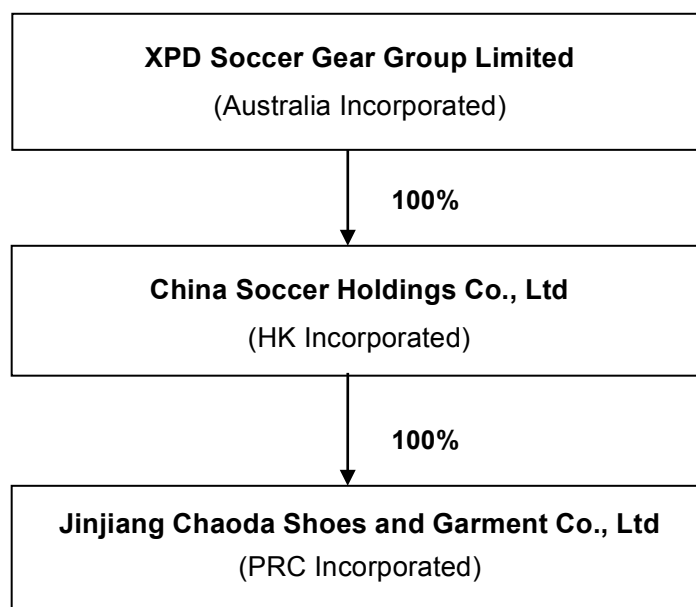
(1) Broker Options are to be issued to the Lead Manager in accordance with the contract summarised in Section 9.1. Each Broker Option will have an exercise price of \$0.25 and an expiry date 3 years from issue.”

2.2 Hong Kong entity information

Section 4.3 of the Prospectus is deleted and replaced with the following:

“4.3 CORPORATE STRUCTURE

The following diagram shows the corporate structure of XPD Group at the Prospectus Date:



XPD Soccer Gear Group Limited was incorporated in Victoria Australia on 22 May 2014. It became the ultimate parent company of the XPD Group pursuant to a Share Sale Deed dated 16 February 2015.

China Soccer Holdings Co., Ltd is an investment holding company incorporated in Hong Kong on 10 November 2014 and holds 100% of the issued capital in Jinjiang Chaoda Shoes and Garment Co., Ltd. Other than being the holding company for Chaoda, China Soccer Holdings Co., Ltd is not involved in other business activities and does not have any material liabilities. Please refer to Note 3 to the financial statements set out in Section 5 which lists the assets and liabilities of China Soccer Holdings Co., Ltd as at 30 June 2014.

Jinjiang Chaoda Shoes and Garment Co., Ltd (**Chaoda**), a company incorporated in the PRC, is engaged in the design, development, manufacture, marketing and distribution of sportswear products in China.”

2.3 Customer concentration table

Section 8.1.2 of the Prospectus is deleted and replaced with the following:

“8.1.2 CUSTOMER CONCENTRATION RISK

There is a concentration of sales to a number of key and large customers over the historical financial periods. The following table sets out the amount of sales revenue received from XPD Group’s top 10 customers (based on sales revenue) during past financial periods, and the proportion these amounts bear to total sales revenue for XPD Group:

Financial period	Top 10 customers	
	Sale revenue	% of total sales revenue
FY2011	\$8.6 million	64%
FY2012	\$12.8 million	60%
FY2013	\$29.7 million	54%
Half year ended 30 June 2014	\$15.9 million	53%

If XPD Group were to lose certain key customers without replacing them with new key customers then this may have a negative impact on XPD Group’s sales and, therefore, profitability.”

2.4 Loan arrangements between Chaoda and XPD

Section 8.1.2 of the Prospectus is deleted and replaced with the following:

“8.1.26 UTILISATION OF PROCEEDS

To utilise the proceeds from the Offer in the manner described in this Prospectus, as an offshore holding company of Chaoda, XPD may provide loans to Chaoda or make additional capital contributions to them. Although there are no formal loan arrangements in place, any loans between XPD and Chaoda would be on simple terms that are considered customary for loans between a parent company and its wholly owned subsidiary. Any loans to Chaoda are subject to relevant registration under PRC regulations, and capital contributions must be approved by the PRC Ministry of Commerce or its local counterparts. The Company cannot assure investors that it will be able to obtain these government approvals on a timely basis, if at all, with respect to future capital contributions by it to Chaoda. If XPD Group fails to obtain such approvals, the Company’s ability to use the proceeds from this offering as intended will be affected, and this could adversely affect XPD Group’s ability to carry out its business strategies and expand its operations in China.”

2.5 Trade liquidity risk

A new Section 8.1.29 is inserted in Section 8.1 of the Prospectus as follows:

“8.1.29 TRADE LIQUIDITY

A high proportion of the Shares on issue will be subject to escrow following completion of the Offer (see Section 2.1.9 for further information). This poses a risk that illiquidity in the trading of the Shares will arise and that Shareholders may be unable to sell their investment due to limited demand for the Shares or may only be able to sell their Shares in small parcels. An illiquid

market is likely to have an adverse impact upon the Share price. The Company considers this to be a key risk.”

2.6 Qualified audited accounts risk

A new Section 8.1.30 is inserted in Section 8.1 of the Prospectus as follows:

“8.1.30 QUALIFIED AUDITED ACCOUNTS

The Company notes that Grant Thornton Audit Pty Ltd (**Auditor**) was appointed as the auditor of Jinjiang Chaoda Shoes and Garment Co. Ltd in 2014. Therefore, the Auditor is not in a position to express an opinion on the opening balances of Chaoda as at 1 January 2011, which balances impact the statement of financial performance and statement of cash flows. In addition, the Auditor was not able to observe the counting of the physical inventories at the beginning of FY2011 and FY2012, or satisfy itself of those inventory quantities by alternative means. As opening inventories affect the determination of the results of operations, the Auditor was unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for FY2011. Therefore, the Auditor’s opinion on the accounts for Chaoda for FY2011 has been modified accordingly. The Auditor’s opinion on the accounts for Chaoda for FY2012 is also modified because of the possible effect of this matter on the comparative figures. However, the Auditor’s opinion on the accounts for Chaoda for FY 2013 and HY 2014 has been unqualified.

Information contained in Chaoda’s accounts for FY2011 and FY2012 has been incorporated into the financial information for XPD Group set out in Section 5. Investors should take these qualifications and this risk into consideration when deciding whether or not to invest in the Company.”

3. CONSENTS

Grant Thornton Audit Pty Ltd has given, and has not before lodgement of this Supplementary Prospectus withdrawn, its written consent to be named in this Supplementary Prospectus as Auditor in the form and context in which it is named. Grant Thornton Audit Pty Ltd has not authorised or caused the issue of this Supplementary Prospectus and take no responsibility for any part of this Supplementary Prospectus other than any references to it.

4. DIRECTORS’ AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Signed for and on behalf of the Company on 16 March 2015.



Andrew Smith
Director
XPD Soccer Gear Group Limited

XPD Soccer Gear Group Limited

ACN 169 695 283

Supplementary Application Form

Broker reference – Stamp Only

Broker Code

Advisor Code

Fill out this Supplementary Application Form if you wish to apply for Shares in XPD Soccer Gear Group Limited

- x Please read the Prospectus dated 27 February 2015 and Supplementary Prospectus dated 16 March 2015
- x Follow the instructions to complete this Supplementary Application Form (see reverse).
- x Print clearly in capital letters using black or blue pen.

Offer Closes 5.00pm (EST) 1 May 2015

A Number of Shares you are applying for

x \$0.20 per share =

B Total amount payable

Minimum of 10,000 Shares to be applied for and thereafter in multiples of 1,000.

C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

Name of Applicant 2 or < Account Designation >

Name of Applicant 3 or < Account Designation >

D Write your postal address here

Number / Street

Suburb/Town

State

Postcode

E CHESS participant – Holder Identification Number (HIN)

Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

Applicant #2

Applicant #3

G Cheque payment details – PIN CHEQUE(S) HERE

Please enter details of the cheque(s) that accompany this Application. Make your cheque or bank draft payable to "XPD Soccer Gear Group Limited".

Name of drawer of cheque

Cheque No.

Cheque Amount \$

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

H Contact telephone number (daytime/work/mobile)

I Email address

By submitting this Supplementary Application Form, I/We declare that this Application is completed and lodged according to the Prospectus and Supplementary Prospectus and the instructions on the reverse of the Supplementary Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of XPD Soccer Gear Group Limited ("Company"). I/We was/were given access to the Prospectus and Supplementary Prospectus together with the Supplementary Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Supplementary Application Form

YOU SHOULD READ THE PROSPECTUS AND SUPPLEMENTARY PROSPECTUS CAREFULLY BEFORE COMPLETING THIS SUPPLEMENTARY APPLICATION FORM.

Please complete all relevant sections of the Supplementary Application Form using BLOCK LETTERS. These instructions are cross-referenced to each section of the Supplementary Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A (not less than 10,000 and then in multiples of 1,000). Multiply by \$0.20 to calculate the total for Shares and enter the dollar amount at B.
- C. Write your full name. Initials are not acceptable for first names.
- D. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- E. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- F. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint Applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Supplementary Application Form.
- G. Complete cheque details as requested. Make your cheque payable to "XPD Soccer Gear Group Limited", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- H. Enter your contact details so we may contact you regarding your Supplementary Application Form or Application Monies.
- I. Enter your email address so we may contact you regarding your Supplementary Application Form or Application Monies or other correspondence.

NB: your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Mail your completed Supplementary Application Form with cheque(s) attached to the following address:

Mailing address:

XPD Soccer Gear Group Limited
c/o Boardroom Pty Limited
Level 7, 207 Kent Street,
Sydney, NSW 2000

Delivery address:

XPD Soccer Gear Group Limited
c/o Boardroom Pty Limited
Level 7, 207 Kent Street,
Sydney, NSW 2000

It is not necessary to sign or otherwise execute the Supplementary Application Form.

If you have any questions as to how to complete the Supplementary Application Form, please contact Boardroom Pty Limited on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia.

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a share holder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your share holding and if some or all of the information is not collected then it might not be possible to administer your share holding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Boardroom Pty Limited as shown above. Our privacy policy is available on our website (<http://www.boardroomlimited.com.au/Privacy.html>).