

KEMAO INDUSTRIES LIMITED

ACN 625 928 216

SUPPLEMENTARY PROSPECTUS

1 IMPORTANT INFORMATION

This is a second supplementary prospectus (**Second Supplementary Prospectus**) and is intended to be read together with the replacement prospectus issued by Kemao China Industries Limited (**Company**) dated 12 April 2019 as supplemented by the first supplementary prospectus issued by the Company dated 26 April 2019 (**Replacement Prospectus**).

This Second Supplementary Prospectus is a refresh document as defined in section 724(3H) of the Corporations Act and has been lodged with ASIC in accordance with section 724(3G) of the Act.

This Second Supplementary Prospectus is dated 5 July 2019 and a copy of this prospectus was lodged with ASIC on that date. ASIC, NSX, SSX and their respective officers take no responsibility for the content of this Second Supplementary Prospectus.

Other than as set out below, all details of the Replacement Prospectus remain unchanged. To the extent of any inconsistency between this Second Supplementary Prospectus and the Replacement Prospectus, this Second Supplementary Prospectus will prevail. Unless otherwise defined, capitalised terms used in this Second Supplementary Prospectus have the meanings given to them in the Replacement Prospectus.

The Second Supplementary Prospectus and the Replacement Prospectus can be accessed on the Company's website at www.kemao-tinplate.com. The Company will send a copy of this Second Supplementary Prospectus to all applicants who have applied for Shares under the Replacement Prospectus as at the date of this Second Supplementary Prospectus.

This Second Supplementary Prospectus and the Replacement Prospectus are important documents that must be read in conjunction with each other. Investors should read them both in their entirety and consult their professional advisor if they do not understand any aspects of these documents.

2 SUMMARY – CONTENTS OF THE SUPPLEMENTARY PROSPECTUS

2.1 Purpose of this Second Supplementary Prospectus

This Second Supplementary Prospectus has been prepared for the purpose of:

- (a) advising that at the date of this Second Supplementary Prospectus, the Company's Shares have not been admitted to quotation on the NSX;
- (b) advising that at the date of the Supplementary Prospectus, the Company has not issued any Shares pursuant to the Replacement Prospectus;
- (c) refreshing the period for admission to quotation of New Shares offered under the Replacement Prospectus to three months from the date of this Supplementary Prospectus in accordance with Section 724(3G)(d) of the Act; and
- (d) refreshing the period to raise the Minimum Subscription from four months from

This Secondary Supplementary Prospectus is intended to be read together with the replacement prospectus issued by the Company dated 12 April 2019 as supplemented by the first supplementary prospectus issued by the Company dated 26 April 2019.

the date of the Replacement Prospectus to four months from the date of this Supplementary Prospectus in accordance with section 724(3G)(c) of the Corporations Act.

2.2 Background

In accordance with the Corporations Act, if a person offers securities under a disclosure document such as a prospectus and the disclosure document states or implies that the securities are to be quoted on a financial market such as the ASX and the securities are not admitted to quotation within three months after the date of the original disclosure document (**Quotation Condition**) then an issue or transfer of securities in response to an application made under the disclosure document is void and the person offering the securities must return the monies received by the person from the applicants as soon as practicable.

In addition, the Corporations Act provides that where a disclosure document states that the securities will not be issued or transferred unless a minimum amount is raised and that condition is not satisfied within four months after the date of the original disclosure document (**Minimum Subscription Condition**) the person must repay the monies received from the applicants or give the applicants a supplementary disclosure document and one month to withdraw their application and be repaid.

The Company lodged its original prospectus with ASIC on 5 April 2019 (**Original Prospectus**) which has been replaced by the Replacement Prospectus. Accordingly, the Company has until 5 July 2019 to satisfy the Quotation Condition and 5 August 2019 to satisfy the Minimum Subscription Condition.

3 UPDATE ON QUOTATION CONDITION

An application for admission to quotation of the Shares was made within seven days after the date of the Original Prospectus. The Shares have not been admitted to quotation as at the date of this Secondary Supplementary Prospectus.

NSX has advised the Company that it is currently not considering listing applications by companies whose main businesses operate in the People's Republic of China and therefore will not consider the Company's listing application further.

The Company has sought, via in principle application and consultation, advice from the Sydney Stock Exchange (**SSX**) which requires the Company's operating subsidiary in China, Kemao China, to appoint one of mainland China's top 20 accounting firms as its auditors with respect to the track record period financial statements of Kemao China. This means that there will be a replacement Limited Assurance Report following the completion of audit by the mainland China accounting firm which Kemao China will appoint to comply with SSX's requirements. In light of NSX's decision and SSX's in-principle decision, the Company has decided to redirect its proposed listing from NSX to SSX. References to NSX in the Replacement Prospectus are amended to SSX accordingly where appropriate.

The Company is taking steps to comply with SSX's requirements. The Directors do not expect any material changes to the financial information. A further supplementary or replacement prospectus will be lodged with ASIC upon completion of this process.

A listing application will be lodged with SSX within seven days after the date of this Second Supplementary Prospectus. The Company has until 5 October 2019 to satisfy the Quotation Condition.

4 STATUS OF THE OFFER

At the date of this Second Supplementary Prospectus, the Company has received 15 valid applications for 1,000,000 Shares totalling \$500,000 and has raised the Minimum Subscription provided for in the Replacement Prospectus. No applications received have been processed and no Shares have been issued pursuant to the Replacement Prospectus.

5 CLOSING DATE

Even though the Company has raised the Minimum Subscription as at the date of this Second Supplementary Prospectus, the Company has decided to extend the Closing Date to 16 August 2019 to give the Company the capacity to raise more money in the event that the funds raised under the Replacement Prospectus become insufficient to satisfy the Minimum Subscription Condition as a result of investors exercising their rights offered in section 6 below and withdraw their application moneys.

Accordingly, references to the Closing Date in the Replacement Prospectus are amended and the timetable to the Offer set out on page 1 of the Replacement Prospectus is deleted and replaced with the following timetable:

Timetable to the Offer

Opening date of the Offer	13 April 2019
Closing Date of the Offer	16 August 2019
Issue of Shares under the prospectus	21 September 2019
Expected date for quotation of Shares on SSX	28 September 2019

Note:

1. The above dates are indicative only.
2. The Company reserves the right to extend the Closing Date or (after 5 August 2019) close the Offer early without prior notice.
3. The quotation of Shares is subject to confirmation from SSX.

6 RIGHT TO WITHDRAW APPLICATIONS

In accordance with the Corporations Act, where the Quotation Condition is not satisfied, the Company must give applicants who have previously submitted an application form (under the Replacement Prospectus) a copy of this Second Supplementary Prospectus and one month to withdraw their application and be repaid. The Offer will remain open until at least the end of that withdrawal period.

Any repayments made by the Company pursuant to an applicant exercising their right to withdraw their application will be made in full without interest.

An applicant who wishes to withdraw their application and obtain a refund must submit a written request to the Company at either of the addresses set out below so that it is received within one month of the date of this Second Supplementary Prospectus (i.e. by close of business on 5 August 2019).

Delivery by post	Delivery by hand
Kemao Industries Limited C/- Advanced Share Registry Limited PO Box 1156 Nedlands WA 6909	Kemao Industries Limited C/- Advanced Share Registry Limited 110 Stirling Highway Nedlands WA 6009

The details for the payment of the refund cheque and address to which it should be sent as set out in the written request must correspond to the details contained in the application form lodged by the applicant.

7 APPLICATIONS

7.1 Investors who have NOT previously submitted an application form

Applications for Shares under the Offer must be made using the application form attached to or accompanying this Second Supplementary Prospectus (**Application Form**). Applications must not be made on the application form attached to or accompanying any of the previous supplementary or replacement prospectuses.

The Application Form contains detailed instructions on how it is to be completed.

Cheques should be made payable to “Kemao Industries Limited – Share Offer Account” and crossed “Not Negotiable”. Completed Application Forms and cheques, must reach the address set out in section 6 by no later than the Closing Date.

To pay via BPAY® please complete the online form available at www.advancedshare.com.au/ipo.aspx. Payment details will then be forwarded to you.

The Company reserves the right to close the Offer early.

7.2 Applicants who HAVE previously submitted an application form AND DO NOT want to withdraw their application

Applicants in this category do not need to complete a further Application Form in order to receive their Shares. However, such applicants may lodge an Application Form if they wish to apply for additional Shares in accordance with the instructions set out above for investors who have not previously submitted an application form.

7.3 Applicants who HAVE previously submitted an application form and WANT TO withdraw their application

Applicants in this category may withdraw their applications and be repaid any application moneys upon written request to the Company in the manner set out in section 6 of this Second Supplementary Prospectus.

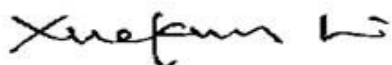
8 CONSENTS

Each named party identified at section 11.5 of the Replacement Prospectus has given and has not, before lodgement of this Second Supplementary Prospectus with ASIC, withdrawn consent to the inclusion of the statements attributable to them in the Replacement Prospectus and in this Second Supplementary Prospectus in the form and context in which the statements appear. Each named party has not caused or authorised the issue of this Second Supplementary Prospectus.

9 DIRECTORS' AUTHORISATION

This Second 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 Second Supplementary Prospectus with ASIC.



Xuekun LI
Company Secretary
For and on behalf of Kemao Industries Limited
5 July 2019