Memo: General Surveillance - Targeted

Status: FINALISED | XPD SOCCER GEAR GROUP LIMITED | Last updated on 01/07/2018 by Application Messenger (NSW)

Details

Date Sent:	24/05/2018 05:24 PM
To:	s 22 [redacted] /Melbourne/VIC/ASIC,
Cc:	
From:	s 22 [redacted] /Melbourne/VIC/ASIC
Subject:	XPD Soccer Gear Group Limited ACN 169 695 283 – Potential Corporate Governance Concerns [DLM=Sensitive]

Details:

1. On 11 October 2017 XPD Soccer Gear Group Pty Ltd ACN 169 695 283 (the **Company**) was suspended from official quotation by ASX Limited (**ASX**) pending the release of an announcement clarifying a director's interests in the securities of the Company.

2. On 11 October 2017 the Company responded to the ASX disclosing that Chou Qin International Co. Ltd (**Chou Qin**) beneficially held 211,550,911 shares of the Company. Messrs Shui-Chiao Chang (**Mr Chang**) and Jiameng Zhang (**Mr Zhang**) (both directors of the Company) held 40% and 60% interests in Chou Qin respectively.

3. On 17 October 2017 the Company released a further response to the ASX disclosing that Mr Zhang had a total interest of 142,202,276 shares in the Company.

4. ASX believed that Change in Substantial Holder (**Form 604**) forms pertaining to Mr Chang, Mr Zhang and Chou Qin were incorrect on the basis of the information disclosed by the Company in its letter of 17 October. s 45, s 47E (d), s 47G (1)(a), s 47G (1)(b) [redacted]

5. s 37(2)(b) [redacted]

6. On 30 November 2017 the Company released a further response to ASX stating that they were undertaking a comprehensive assessment to accurately determine the relevant interests of Mr Chang, Mr Zhang and Chou Qin. The letter also disclosed that three of the directors of the Company (including Mr Chang) had resigned.

7. On 3 January 2018 the Company held a general meeting in which only one special resolution was proposed; to change the Company's name to EWG Holding Group Limited, the resolution failed on a show of hands.

8. s 45, s 47E (d), s 47G (1)(a), s 47G (1)(b) [redacted]

9. s 37(2)(b), s 47C, s 47E (d) [redacted]

10. On 29 March 2018 the Company released an announcement detailing the following changes made to the board:

a. Wayne Reid resigned from the board on 14 February 2018;

b. Simon Lill and Neil Sheather had joined the board as Australian-resident directors, with Mr Lill taking the role of Chairman;

c. Lifang Zhang had joined the Company and would share the role of Company Secretary with Mr Sheather; and

d. Tony Zhen Lu had resigned as Company Secretary yet remained on the board as a non-executive director.

11. On 18 April 2018 the ASX released a letter addressed to the Company on the ASX announcements platform (**18 April Letter**). The 18 April Letter disclosed that ASX would not remove the Company from the official list with immediate effect. Rather, ASX would consider reinstating the Company's shares to official quotation subject to certain conditions being met by 31 July 2018. If the conditions were not met by 31 July 2018 the Company would be removed from the official list on 1 August 2018.

s 37(2)(b)

13. On 5 March 2018 the Company provided an updated draft of Form 604 for Chou Qin to which we provided no further comments.

Document Activity