

4 March 2016

Sydney Stock Exchange Limited
Level 41, 259 George Street
SYDNEY NSW 2000 Australia
Attention: Anita Zhao

By email: anita.zhao@ssx.sydney

Dear Anita,

Re: Australia Samly Holdings Group Limited | Sponsorship Arrangement Beyond Initial Period

We write to respond to your query in relation to Australia Samly Holdings Group Limited (Company) current sponsor that is to expiry on or about 5 March 2016.

In accordance with SSX Listing Rule 13.3, and for purpose of ensuring the company's ongoing compliance with its obligations under the SSX Listing Rules. We would like confirm with SSX that the company will continue engage with Backer & McKenzie for further 12 months after the current sponsorship agreement expires as a condition of its continued admission to SSX's Official List.

Australia Samly Holdings Group Limited also would like confirm that the company will send the following information to SSX to ensure the company compliance with its continue disclosed obligations.

Monthly Management accounts – The Company to send a brief summary of the Company's management accounts when there are material changes in that month (more than 10% of the same period last year); and

Material changes – any events or changes to the Company that lead to a change of 10% - 15% or more to any of the Company's financial statistics or other material information which in the view of the Company will affect the share price or value.

Should you wish to discuss any aspect of this matter, please do not hesitate to contact me on 04 2112 9411 or lijiajunmsn@hotmail.com

Regards,



Jiajun Li
Company Secretary
On behalf of Australia Samly Holdings Group Limited



22 February 2016

Ms (Jun) Li Jia Jun
Company Secretary
Australia Samly Holdings Group Limited

By Email: lijiajunmsn@hotmail.com

Dear Ms Li

Sponsorship Arrangement beyond Initial Period
for Australia Samly Holdings Group Limited (“Samly” or the “Company”)

We are writing in relation to Samly’s sponsorship agreement with its current sponsor which expires on or about 5 March 2016. In accordance with SSX Listing Rule 13.3, and for purpose of ensuring Samly’s ongoing compliance with its obligations under the SSX Listing Rules, we request Samly to engage a sponsor for a further 12 months (the “Extended Period”) after the current sponsorship agreement expires as a condition of its continued admission to SSX’s Official List. SSX has unfettered discretion to vary the length of the Extended Period taking into consideration the relevant factors including, but not limited to, future compliance by Samly with the SSX Listing Rules and the content and timing of future disclosures.

Background

Samly was admitted to the SSX’s Official List on 4 March 2014.

Samly was suspended from the Official List on 17 March 2015 due to its failure to disclose its Appendix 15-1 – Half Year Report. It was subsequently reinstated to the Official List on 18 March 2015 following its lodgment of Half Year Report.

By SSX’s letter dated 30 September 2015 which was subsequently released to the market pursuant to SSX Listing Rule 22.1, SSX expressed concerns over the apparent non-compliance by Samly in relation to Samly’s half year financial statements for the periods ending 31 December 2014. It was revealed in that letter that, among other things, Samly and its sponsor would put in place further arrangements to ensure:



- a. There is the proper and periodic transfer of information between Samly and its Sponsor;
- b. That Samly both understands and meets its disclosure (including continuous disclosure) obligations under the SSX Listing Rules.
- c. Samly, with the guidance of its sponsor, will voluntarily disclose to the market quarterly updates (which, if applicable, may include earning guidance (as the term is used within SSX Guidance Note 3 – Continuous Disclosure)) until further notice.

By letter dated 8 October 2015 SSX advised Samly that it considered Samly may have breached Listing Rule 11.1 in relation to the absence of disclosures prior to the disclosure of the half year financial statements. SSX also advised that in the event of future non-compliance it reserved the right to require Samly to:

- appoint a sponsor to advise it in relation to its obligations under the listing rules for an ongoing period beyond the first 2 years;
- appoint a suitably qualified independent expert approved by SSX to provide to SSX a report and/or conduct an investigation into the internal controls relevant to the apparent non-compliance; and/or
- lodge quarterly cashflow reports with SSX for disclosure to the market.

On 22 January 2016, Samly made an announcement stating that it had complied with an Infringement Notice issued by ASIC relating to an alleged contravention of its continuous disclosure obligations under the Corporations Act 2001 for the period of 1 July 2014 to 31 December 2014.

The Relevant SSX Listing Rules

SSX Listing Rule 3.2 requires that for the first two years of being admitted to the Official List the listee must engage a sponsor to advise it in relation to its obligations under the SSX Listing Rules.

SSX Listing Rule 4.5 sets out that SSX may grant admission to the Official List subject to any conditions SSX considers appropriate in its absolute discretion (including in relation to any corporate governance requirements to be imposed).

SSX Listing Rule 13.3 provides that in addition to the requirements of the Listing Rules, SSX may impose conditions on the admission of a listee to the Official List for the purposes of ensuring compliance with the SSX Listing Rules or to ensure the operation of a fair, orderly and transparent market.

In relation to Rule 4.5 & 13.3, SSX adopts a broad interpretation of these two rules to give effect to SSX's power to impose conditions for listee's continued admission to the Official List.



Decision

In light of Samly's history of non-compliance with the SSX's Listing Rules and the fact that Samly has reinforced arrangements with its sponsor for only a couple of months since September 2015, and to assist the Company in better managing its obligations under the SSX Listing Rules, SSX has decided to exercise the power under SSX Listing Rules 13.3 and 4.5 to require Samly to renew its current sponsorship agreement or to engage a new sponsor on terms satisfactory to SSX for a further 12 months after the current sponsorship agreement expires. SSX has unfettered discretion to vary the length of the Extended Period taking into consideration the relevant factors including, but not limited to, future compliance by Samly with the SSX Listing Rules and the content and timing of future disclosures.

The sponsorship arrangement may be with the existing sponsor (Baker & McKenzie) or with a new sponsor. A list of SSX sponsors is available on the SSX website. The new sponsorship arrangement for the Extended Period should contain adequate communication mechanisms between the sponsor and the Company to make sure the Company will receive meaningful and timely advice from the Sponsor with respect to its obligations as a listed company on the SSX Market.

SSX reserves the right to request a copy of the sponsorship agreement and records of communications between the sponsor and the Company when it has reason to believe the arrangements in place are not sufficiently designed to foster the communication between the Company and its sponsor or to achieve the intended purpose.

SSX wishes to remind the Company that, as previously agreed with SSX and foreshadowed in the email correspondence in March 2015, the Company is required to disclose the following matters:

1. Monthly Management accounts – The Company to send a brief summary of the Company's management accounts when there are material changes in that month (more than 10% of the same period last year); and
2. Material changes – any events or changes to the Company that lead to a change of 10% - 15% or more to any of the Company's financial statistics or other material information which in the view of the Company will affect the share price or value.

We require that Samly confirm to SSX that it has an arrangement in place with a sponsor for the period of at least 12 months from Monday 7 March 2016 by 5.00pm Sydney time on Friday 4 March 2016. Failure to provide the required confirmation by 5.00pm Sydney time on Friday 4 March 2016 will result in the suspension, or continued suspension, of the company's securities until such time as an appropriate confirmation has been received by SSX.

Please be advised that the decision above does not exhaust or in any way limit SSX's power under Chapter 13 and Chapter 22 of the SSX Listing Rules to take further enforcement measures for purpose of enforcing compliance or under the circumstances when SSX considers that the decision above alone is not sufficient enough to prevent potential non-compliance or contravention of the SSX Listing Rules.

APX reserves the right to disclose this correspondence to the market.



Should you wish to discuss any aspect of this matter, please do not hesitate to contact me on (02) 9217 2785 or supervision@ssx.sydney

Regards,

A handwritten signature in black ink, appearing to be "Anita Zhao", with a long horizontal stroke extending to the right.

Anita Zhao
General Manager - Market Supervision

Cc: SSX Supervision: supervision@ssx.sydney