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Our Ref: KP:00079560

17 June 2015

Mr Ian Craig
Companies Manager
National Stock Exchange of Australia Limited
Level 13
575 Bourke Street
Melbourne VIC 3000

BY POST AND EMAIL

Email: ian.craig@nsxa.com.au

Dear Mr Craig

SHKL GROUP LIMITED - NEW NSX LISTING APPLICATION

As you are aware, we act for SHKL Group Limited (**Company**).

Further to our letter dated 26 May 2015 enclosing a draft prospectus, we now attach the Company's prospectus which was lodged with the Australian Securities & Investments Commission earlier today (**Prospectus**) and updated listing application.

The Prospectus includes an updated Independent Accountants Report based on audited accounts for the period ending 31 March 2015.

1 GENERAL

- 1.1 Applicant SHKL Group Limited
Date of incorporation: 29 October 2014
Place of incorporation: British Virgin Islands
- 1.2 The Applicant was registered as a foreign company under the *Corporations Act* on 11 December 2014.
- 1.3 Principal registered office:

PO Box 957
Offshore Incorporations Centre Road Town, Tortola

Kings Park Corporate Lawyers Pty Ltd trading as Kings Park Corporate Lawyers

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British Virgin Islands

Registered Agent & Office in Australia:

C/- Company Matters Pty Ltd
Level 4, Central Park
152 St Georges Terrace
Perth WA 6000

Address at which the share register is kept:

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
Perth WA 6000

- 1.4 The Company formally requests to be admitted to the Official List of the National Stock Exchange of Australia Limited (**NSX**) and for the quotation of its shares (as Chess Depository Interests) on the NSX.

Nature of the <i>securities</i> :	Fully Paid Ordinary Shares
<i>Amount of securities</i> :	100,000,000
Class of securities:	Fully paid ordinary shares
Voting rights attached to Securities	1 vote per member on a show of hands, 1 vote per share on a poll (clause 17.6 of Memorandum and Articles of Association).
Are the Securities fully paid:	Yes

- 1.5 Proposed methods by which the *securities* are to be brought to *listing*

Prospectus Compliance listing

- 1.6 Estimated market capitalisation of the securities for which a *listing* is sought

\$220,000,000

- 1.7 Estimate of the net proceeds of any proposed issue and the intended use of the proceeds:

Content acquisition: License from third party content owners	5,000,000
Content acquisition: In-house development costs, including salaries for material researchers, authors and programmers	2,000,000

Development costs for new products, including salaries for market researchers, product engineers and industrial designers	2,500,000
Business and market development, including print and electronic advertisements, trade shows participation costs and other marketing expenses	4,500,000
Corporate administration expenses for two years	1,200,000
Costs of the Offer	275,000
Payment of trade and other payables	1,350,000
Other general working capital, including payment for staff salaries, inventories and rentals	3,185,000
Total	20,000,000

- 1.8 The name of any other stock exchange on which any *securities* of the *issuer* are already *listed* and/or traded.

Not applicable.

2 SHARE CAPITAL AND OWNERSHIP

- 2.1 The designation or title of each class of share: Fully paid ordinary shares

The number of shares issued: 100,000,000

The voting rights attached to each share: 1 vote per member on a show of hands, 1 vote per share on a poll

The amount of fully paid up shares: 100,000,000

The shareholdings of the <i>directors</i> and officers of the <i>issuer</i> ; and	ZHANG Yeping	166,660
	ZHOU Xinghang	22,934,998
	SHEN Weiguo	22,934,998
	ZHU Min	10,080,000
	ZHANG Sunyan	Nil
	WU Jiping	279,000
	QIAO Xinmin	333,330

%

	Pre IPO		
So far as is known, or can be ascertained after reasonable enquiry, the names of all shareholders of the <i>issuer</i> who own five percent (5%) or more of the shares of the <i>issuer</i> and their respective shareholdings.	ZHOU Xinghang	22,934,998	22.93
	SHEN Weiguo	22,934,998	22.93
	ZHU Min	10,080,000	10.08
			55.95

	Post IPO		%
	ZHOU Xinghang	22,934,998	20.85
	SHEN Weiguo	22,934,998	20.85
	ZHU Min	10,080,000	9.16
	Shanghai Jugu Equity Investment Fund	10,000,000	9.09
			59.95

A list in tabular form of the names of all shareholders of the *issuer* including the dates that the shares were allotted to them, the consideration that they provided and the number of shares that are held.

Please see tab 9.

3 SECURITIES

An outline of the principal terms of the securities the applicant wishes to list:

The Company is incorporated in the British Virgin Islands, a jurisdiction whose laws have the effect that Clearing House Electronic Subregister System (CHES) cannot be used for holding legal title to securities. To facilitate the use of CHES, Shareholders will hold their Shares in the form of CHES Depositary Interests (or CDIs), which are a form of beneficial interest in Shares held by a depositary nominee. CDIs give a holder similar, but not identical, rights to a holder of Shares. References in this letter to "Shares" include references to "CDIs" as appropriate.

The rights and liabilities attaching to Shares and CDIs are set out at sections 8.11 to 8.13 of the Prospectus. By way of summary, each Share entitles the holder to one vote at the Company's general meeting. There are no limitations under the Articles of Association or under BVI law on the rights of non-residents of BVI or non BVI citizens to hold or vote on the company shares. Upon liquidation or winding up of the Company, the holders of shares will be entitled to participate, in proportion to

their respective nominal share capital in the Company held by them in any surplus assets remaining after payment of the Company's creditors.

4 HISTORY AND NATURE OF BUSINESS

A short introductory paragraph describing the general nature of the business and products of the applicant. A brief history of the issuer for the last five (5) years or, if later, from inception to the date of the application. A description of the business now conducted by the issuer and its child entities, including principal products manufactured, services performed or investments held, principal markets for products and raw materials, method of marketing, annual turnover for the preceding three (3) financial years and for the current financial year to the latest date available.

The Company was incorporated under the name KSTV Group Limited in British Virgin Islands on 29 October 2014 for the purpose of acquiring effective control of Shanghai Kunlun Cultural Media Co., Limited (SKCM), a Chinese business that was established in 2005.

The initial principal business of SKCM upon formation was contract publishing of newspapers which was carried on until 2010 when it was discontinued after reporting continuous operating losses as a result of declining demand for printed newspapers and reduced advertising revenue due to online media.

SKCM has developed a range of ultra large (up to 85 inch) touch screens and associated hardware and software. The products have application in the education, office meeting and other sectors.

The Company's products, large-scale tablet PCs for classrooms and conferences are fully developed and operational (although upgrading and improvement work will continue), and are being rolled out into the smart OA conference system market. The products have application in integrated classrooms in primary/middle schools and various professional education institutes, and as well as smart OA conference systems.

Please refer to section 5 of the Prospectus for further details. Annual turnover for the preceding three (3) financial years (or shorter period) and for the current financial year to the latest date available is included in section 10 of the Prospectus.

5 SUMMARY OF EARNINGS

A summary of earnings, on a consolidated basis if the applicant has subsidiaries, for the last three (3) financial years, showing sales, earnings before charges for depreciation, interest and tax (if any), the amount of each of those charges, net income before extraordinary items, extraordinary items, net income and earnings per share.

The Company was established in and under the laws of the British Virgin Islands on 29 October 2014 for the sole purpose of acquiring SHKL as a wholly owned subsidiary, and so does not have 3 years of trading history.

Please refer to section 10 of the Prospectus and the audited accounts for SKCM for the 15 months ended 31 March 2015.

6 TABULATION OF BALANCE SHEET

A tabulation of its balance sheet for each of the last three (3) financial years (on a consolidated basis if the issuer has subsidiaries) or from the date of incorporation, if shorter. The tabulation should include a calculation of the net asset value per security for each of the three (3) financial years.

Please refer to section 10 of the Prospectus.

Based on the reviewed consolidated pro forma statement of financial position, the net asset value per Share is calculated as \$0.15.

7 EMPLOYEES

The total number of persons regularly employed by the Company is 18.

The number of persons regularly employed by the Company is not subject to seasonal fluctuations.

8 CHILD ENTITIES

- (a) Name of the corporation

KSTV (Hong Kong) Limited (KSTV); Shanghai Kunlun Cultural Media Co. Limited (SKCM).

- (b) Brief statement of the nature of its business and its relationship to the operations of the entire enterprise Investment holding company.

Through contractual arrangements with SKCM and registered shareholders of SKCM, KSTV holds and owns the economic rights to SKCM's businesses. Please refer to section 5.8 of the Prospectus.

- (c) Share capital by classes, showing the amount issued and the amount owned by the holding entity One class of shares, namely Ordinary Shares of HK\$1 each.

Total issued Ordinary Shares: 10,000

Total owned by the holding entity: 10,000 (100%)

Registered and paid-up capital: RMB 20,500,000

Total owned by holding entity: 100% effective control through contractual arrangements with registered shareholders of this entity.

9 DIVIDEND RECORD

As at the date of this application, there have been no dividends declared by the Applicant.

10 PROPERTIES

- | | | |
|------|-------------------------------------|---|
| (a) | Location: | No. 1, Lane 321, Wuyi Road
Shanghai, China |
| (b) | Land area: | 300m ² |
| (c) | No. of building: | 1 |
| (d) | Aggregate floor area: | 450m ² |
| (e) | Nature of ownership: | Leased on an annual lease |
| (i) | Current rental | RMB120,000 per month, including the lease for the office, warehouse and showroom space. |
| (ii) | Rental for past two financial years | RMB20,000 per month. During these past two financial years, SHKL only occupied a small office space within the building. This monthly rental payment was in relation to the lease of the office space only. |

11 LITIGATION

As at the date of this Application there has been no litigation or claims of material importance made, or which is pending or threatening, against the Company or any of its subsidiaries.

12 MANAGEMENT

- 12.1 *Names, residential addresses and descriptions (being qualifications/ area of expertise or responsibility) of every director or proposed director and any person who performs an important administrative, management or supervisory function*

and particulars of the principal functions performed by each of them within the group if significant to the group.

Mr ZHANG Yeping, Independent Non-Executive Director and Chairman
Room 1202, No. 12 apartment, No 669 Baiyu Road, Shanghai City

Mr SHEN Weiguo, Managing Director
Room 106, No. 6 Apartment, No. 968 Tianysoqiao Road, Shanghai City

Mr ZHOU Xinghang, Executive Director
Room 801, No. 2 Apartment No, 1235 West Yanan Road, Shanghai City

Mr ZHU Min, Executive Director
7th Floor, Qunlou Huizhi Building, No. 356 North Caoxi Road, Shanghai City

Mr ZHANG Sunyan, Independent Non-executive Director
No. 200, Taiyuan Road, Xuhui District, Shanghai

Mr WU Jiping Independent Non-executive Director
Room 401, No. 2 Apartment, No. 788 South Wanping Road, Shanghai City

Mr QIAO Xinmin Independent Non-executive Director
Room 3201, No. 5 Apartment, No. 968 Tianysoqiao Road, Xuhui District, Shanghai City

Management:

Mr PAN An (Peter), Secretary to the Board and Chief Compliance Officer
Room 504, No.13 800 Nong
Songhong Road, Shanghai
China 200336

The qualifications and areas of expertise of each of the above persons are set out at section 7 of the Prospectus.

12.2 The nature of any family relationship between the *persons* mentioned in (1);

There is no family relationship between any two directors (including independent directors) and any person who performs an important administrative, management or supervisory function. In particular, there is no family relationship between Mr Zhang Sunyan and Mr Zhang Yeping, both whom share the surname Zhang, reported to be the third most common surname in China (source: www.sinosplice.com / www.mingba.cn)

12.3 A brief account of the business experience of each of these *persons* during the last five (5) years.

A summary of the business experience of each of the persons referred to in paragraph 12.1 of this letter is set out at section 7.1 of the Prospectus.

- 12.4 Any other directorships held by each *director* or proposed *director* in any publicly *listed* or traded companies

No

- 12.5 No *director* or proposed *director* has, in any jurisdiction, been convicted in any criminal proceeding or has had a bankruptcy petition filed against him or her or any partnership in which he was a partner or any body corporate of which he was a *director* or has been sanctioned or otherwise disciplined by any self-regulatory securities association of which he or she is or has been a member or any securities supervisory or regulatory body or any such event is pending.

13 SPONSORS, BANKERS, ETC.

- 13.1 The names and addresses of the *issuer's* financial advisers, principal bankers, nominated adviser, share registrar/transfer agent and solicitors are set out in the Corporate Directory on page 3 of the Prospectus.

The Company's principle banker is Tongxiang Rural Credit Cooperatives Union of No. 59 East Jiaochang Road, Tongxiang City, Zhejiang Province, China.

The Company has applied to NSX for a waiver from listing rule 2.2 to permit the Company not to be sponsored by a participant of the Exchange.

- 13.2 The Applicant's auditors are J.K. Tan & Co., Chartered Accountants. Further details are set out in page 3 of the Prospectus.

The professional qualifications of the Company's auditors are as follows:

J.K. Tan & Co is a firm of Malaysian chartered accountants registered with and licensed by the Malaysian Institute of Accountants ("MIA") under the powers conferred on it by the Accountants Act 1967 of Malaysia. The firm's registration number is AF-002116. MIA is a statutory agency under the Ministry of Finance of Malaysia.

14 STATEMENT OF NON-COMPLIANCE

A statement of any requirements of the *Listing Rules* which cannot be met by the applicant and detailed arguments to support any request for a waiver or modification of the normal requirements.

With the exception of listing rule 2.2 (the subject of our waiver applications dated 28 January 2015), the Issuer will meet the requirements of the listing rules.

15 DECLARATION

A declaration as required by item 15 of Appendix 1 dated 25 May 2015 was provided to NSX on 26 May 2015.

Mr Ian Craig
National Stock Exchange of Australia Limited



Yours sincerely

A handwritten signature in black ink that reads "Julian Atkinson". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Julian Atkinson
Principal
Direct line +61 8 9420 0010
Email jatkinson@kpcl.net.au