



13 September 2017

Sydney Stock Exchange Limited
Level 41
259 George Street
SYDNEY NSW 2000
Australia

Attention: Anita Zhao

By email: anita.zhao@ssx.sydney

Dear Ms Anita Zhao,

ZhongHuanYun Holdings Group Limited (*Company*) | Response to SSX Letter dated 7 September 2017

We refer to your letter to Ms Jiajun Li dated 7 September 2017 (*Letter*). We understand that Sydney Stock Exchange Limited (*SSX*) has concerns regarding the Company's compliance to SSX listing rules (*Listing Rules*) 18.17 and 18.18 with respect to the disclosure of director's interest in time.

Please find our responses to the questions listed in the Letter below:

1. Please explain why the Appendix 18-2 and Appendix 18-3 for Mr Shengrong Zhang and Mr Huaji Li were lodged late?

We note that Mr Shengrong Zhang and Mr Huaji Li were not aware of their obligation to disclose director's interest in time under Listing Rules 18.17 and 18.18.

2. What arrangements does the Listee have in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rules 18.17 and 18.18? Please include in your answer a summary of such arrangements and the implementation, monitoring and enforcement of such arrangements.

The Company has adopted a Continuous Disclosure and External Communication Policy (as available on the Company's website) which sets out the reporting obligations of the Company, roles of the reporting officers, and the types of information to be reported to the market. However the Company recognises



that there is weak implementation and compliance monitoring of this policy, and will put in place improved mechanisms to ensure better compliance (please see below response).

3. If the current arrangements are inadequate or not being sufficiently monitored or enforced, what additional steps does the Listee intend to take to ensure compliance with the foregoing Listing Rules?

Since the issuance of the notice, the Company's Board of Directors and its management team have been made fully aware and are alert to the continuous disclosure obligations under the SSX Listing Rules. The Company's directors are strictly required to inform the Company Secretary of any change they are made aware of in relation to the shareholding or any other price sensitive information. The Company Secretary will, with the approval of the Chairman, seek advice from the Company's legal advisers to determine whether disclosure is required. If required, disclosure will be made promptly, within no more than 5 business days of when the Directors are made aware of the information or change.

If you require further information, please do not hesitate to contact us.

Yours sincerely

Jiajun Li

Company Secretary

On behalf of ZhongHuanYun Holdings Group Limited



7th September 2017

Ms Jiajun Li
Company Secretary
ZhongHuanYun Holdings Group Limited SYDNEY
NSW 2000

By Email: lijiajunmsn@hotmail.com

Dear Ms Jiajun Li

ZhongHuanYun Holdings Group Limited (the “Listee”)

SSX refers to the following:

- The Appendix 18-2 and Appendix 18-3 lodged by the Listee with Sydney Stock Exchange Limited (“SSX”) on 6 & 7 September 2017 for Mr Shengrong Zhang and Mr Huaji Li (the “Notification”).
- Listing Rule 18.17 requires a listee to have procedures and arrangements in place that are reasonably designed, implemented, monitored and enforced to ensure that each director of the listee notifies the listee of their director’s interests in the form set out below no later than 5 business days after:
 - (a) the date a director is appointed (other than in circumstances where a director retires and is reappointed in the same meeting) in the form of Appendix 18-2;
 - (b) the date of admission of the listee to the official list in the form of Appendix 18-2;
 - (c) the date of any change to a director’s interest of a director of a listee in the form of Appendix 18-3; and
 - (d) the date that a director ceases to be a director of the listee in the form of Appendix 18-4.
- Listing Rule 18.18 states that a listee must immediately disclose the director’s interests notified to



the listee as set out in Rule 18.17.

- Listing Rule 18.2 states that a listee must take reasonable steps to ensure that directors are made aware of, and comply with, their responsibility to notify the listee of any change to:
 - (a) any of the details set out in Chapter 18 including the director's statement and
 - (b) any of the information disclosed by the listee in respect of the directors in the listing particular.



Based on the information revealed in the Notification, it appears that the Listee may be in breach of some or all of the Listing Rules above as well as potential breaches by the relevant relevant directors of s205G of the Corporations Act.

SSX reminds the Listee of its obligation to comply with the Listing Rules and requests the Listee to make necessary arrangements to ensure there will not be any reoccurrence of a breach of the Listing Rules.

Having regard to the forgoing Listing Rules, we ask the Listee to answer each of the following questions:

- 1) Please explain why the Appendix 18-2 and Appendix 18-3 for Mr Shengrong Zhang and Mr Huaji Li were lodged late?
- 2) What arrangements does the Listee have in place with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 18.17 and 18.18? Please include in your answer a summary of such arrangements and the implementation, monitoring and enforcement of such arrangements.
- 3) If the current arrangements are inadequate or not being sufficiently monitored or enforced, what additional steps does the Listee intend to take to ensure compliance with the foregoing Listing Rules?

Please note that SSX reserves its right under Listing Rule 13.8 to release this letter and the Listee's response to the market. Accordingly, the Listee's should address each question separately and be in a format suitable for release to the market.

If the information requested by this Letter is information required to be disclosed to SSX under listing rule

11.1 your obligation is to disclose the information immediately. Unless the information in your response is required immediately under Listing Rule 11.1, a response is requested as soon as possible and, in any event, **not later than 10:15am (EDST), Wednesday, 13 September 2017.**



ZHY Holding Group Co., Ltd.

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www.zhykg.com

Your response to this Letter should be sent to by email on anita.zhao@ssx.sydney. It should **not** be sent to the SSX Announcements Platform.

If you have any queries regarding anything contained within this letter, please do not
hesitate to contact me. Yours sincerely,

A handwritten signature in black ink, appearing to be 'Anita Zhao', enclosed in a thin black rectangular box.

Anita Zhao

General Manager – Market Supervision