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29 April 2016

## ASX Release

### QUARTERLY ACTIVITIES REPORT

Xped Limited (ASX: XPE) ("Xped" or the "Company"), the Internet of Things ("IoT") technology Company has today released its Quarterly Appendix 4C filing for the quarter.

#### QUARTERLY HIGHLIGHTS

- Acquisition of Xped Holdings Limited completed
- HOA executed to acquire JCT Healthcare and Jackson Care Technologies
- Appointment of Dr Wenjun Sheng to Board of Directors
- ADRC soon to be available on Intel IoT Gateway Platform
- \$8m Prospectus offer oversubscribed
- MOU's executed with US listed chipset and technology companies
- Appointment of USA advisors and Senior VP Business Development
- Licensing agreement with Leapin for digital keys
- Xped exhibits ADRC and XERTS at IoT Asia 2016
- Sales and Purchase agreement completed with Vital Xense
- New patent granted in China for ADRC

## **COMPANY UPDATE**

### **ACQUISITION OF XPED HOLDINGS LIMITED**

Following the December announcement indicating the Company had completed its due diligence on Xped Holdings Limited; it proceeded to acquire 100% of the shares in Xped Holdings Limited and immediately began to satisfy the regulatory and ASX listing requirements to complete the transaction.

The Company engaged a number of specialist parties to assist with the volume of work required including legal, advisors, accounting and independent experts with the information made publicly available during January regarding the Xped transaction.

The Independent Expert Report (IER), having indicated the transaction is both “Fair and Reasonable” for existing shareholders was provided to shareholders ahead of the Extraordinary General Meeting to consider and approve the Xped transaction.

Following shareholder approval on 4<sup>th</sup> March 2016 to proceed with the acquisition, the company was renamed Xped Limited and served its suspension period to comply with ASX listing requirements. The company entered suspension for a brief period before reinstatement on 5<sup>th</sup> April where it resumed trading under new ASX code XPE.

The Company thanks its shareholders for making the acquisition possible and supporting the transition into an IoT technology company.

### **ACQUISITION OF JCT GROUP**

The Company recently announced its intent to acquire JCT Healthcare Pty Ltd and Jackson Technologies Pty Ltd (JCT) from its founder and current Managing Director Eddie Jackson. The cost of the acquisition is by way of \$2m cash and \$1m of Xped ordinary shares along with three milestones tied to performance as released in announcement on 19<sup>th</sup> April 2016.

JCT are a quality provider of communication solutions to the Healthcare sector with products tailored for Hospitals, Aged Care, Independent Living and Disability Care. JCT has been successfully operating for over 10 years by the current founder and with offshore manufacturing and local channel partners supporting its products and solutions its set for further expansion.

Whilst JCT will operate, as an operating subsidiary of Xped with its continual focus on the healthcare market, Xped will also be integrating its ADRC technology into the JCT solutions offered and opening new opportunities to expand JCT’s business in overseas markets. Xped has a business development team located in Singapore and a recent appointment in USA, which will provide support to the expansion of JCT along with Xped’s technology offerings.

Eddie Jackson will remain with the company and continue to operate as CEO of JCT subsidiary and lead the team as it seeks further opportunities under the new National Disability Insurance Scheme (NDIS) whereby federal based funding will go to the individual recipient rather than the current model of non-government organisations and private bodies collecting the funding and then distributing.

## **BOARD OF DIRECTORS APPOINTMENT**

The Board was pleased to announce the appointment of Dr Sheng to the role of Non-Executive Director on 21<sup>st</sup> April 2016. The company is looking forward to the expertise he will bring to the Board and assist the Company with its vision and goals in delivering technology for the Internet of Things (IoT).

Dr. Wenjun Sheng brings to the board significant experience in RF SOC semiconductor design, marketing, distribution, management and knowledge of the global semi-conductor and device markets. Dr Sheng currently serves as the Chairman and Chief Executive Officer of Telink Semiconductor, a leading provider of low power wireless connectivity chips and solutions for Internet of Things (IoT). Telink Semiconductor ([www.telink-semi.com](http://www.telink-semi.com)) was founded in 2010 and received venture capital backing from Intel Capital in 2015. With over 10 chipset designs in the range, Telink Semiconductor is on target to deliver over 100,000,000 units to their customers in 2016.

Dr. Sheng has over 15 years of semiconductor industry experience, he has shown an ability to grow businesses from inception, to first revenue and profitability in an effective and accelerated manner. Prior to co-founding Telink Semiconductor in 2010, he was VP of RFIC design at Wiscomm Microsystem Inc., a startup company focusing on CMOS satellite TV tuner chip product.

On the 23<sup>rd</sup> March, the company appointed John Schultz and Christopher Wood as Executive Directors.

John Schultz is a serial entrepreneur founding and successfully growing several companies over the last two decades specialising in the design, manufacture and business development of electronics systems. John has a wealth of experience running design and manufacturing businesses, managing staff and subcontractors and secured significant international business exporting vehicle immobilisers to Malaysia for aftermarket distribution and direct fit to Honda. This contract saw a peak of 30 employees locally employed and managed a Technology Park. John's involvement in this project will encompass system specification, design, product design and manufacture, resource management and developing initial commercialisation opportunities.

Christopher Wood has extensive experience in large telecommunications companies developing mission critical software applications. Chris has architected projects worth up to \$200M and supported by a pool of 200 IT staff. Chris is a domain expert in the areas of GPS, inertial sensors and communications. Chris also possesses substantial technology development commercialisation experience. In 2003 Chris founded Neve Technologies Pty Ltd, a company which developed and commercialised an augmented GPS system for positioning vehicles in areas where GPS signals are severely degraded. In the commercialisation process Chris established a joint venture with the University of South Australia. Neve secured COMET funding, raised capital and successfully commercialised its technology internationally.

The Company also advised on 23<sup>rd</sup> March that Dr Brendan de Kauwe retired from the board and the Company thanks Brendan for his work and assistance during the Xped transaction.

## **ADRC TECHNOLOGY ON INTEL IOT GATEWAY**

Xped recently announced its ADRC technology will soon be compatible and available on the "Intel® IoT Gateway". Intel customers will have access to all the benefits that ADRC technology provides, including NFC on-boarding of devices with a simple tap.

Based on the latest "Intel® Quark™ Microcontroller D2000" Xped has developed a mini PCI- express card that provides the NFC and 802.15.4 communications hardware required by ADRC and can now be added to IoT gateway routers available from several leading vendors that utilize the popular "Intel® Quark™ D2000 Microcontroller".

To support the mini PCI-express card, Xped is also porting its ADRC gateway services that can be deployed onto various platforms based on the Yocto Project (an open source collaboration project) that Intel invests significantly in.

Recently Board members attended an Intel invitation only convention to further the relationship between both parties on the opportunity underway. The company continues to make further progress on the porting of ADRC technology onto Intel's solution and Xped appreciates the level of support provided by their internal engineering teams.

## **PROSPECTUS OFFER OVERSUBSCRIBED**

On 18<sup>th</sup> January, the Company lodged its Prospectus Offer with ASIC and subsequently followed with a supplementary prospectus lodgement on 28th January. The lodgement of the Prospectus fulfilled part of the conditions precedent in completing the Xped acquisition and would provide sufficient capital to the business going forward.

Under the terms of the Prospectus, the company sought to raise \$8m through issuing 320 million Xped shares at 2.5c. The Company was pleasantly surprised by the level of interest in participating in the raising, and investor's sentiment had seen the offer heavily oversubscribed.

## **MOU'S SIGNED WITH US LISTED CHIPSET COMPANIES**

During the quarter, the Company captured high-level interest from two major US listed chipset and technology companies, both of whom have significant market capitalizations and global footprint in their respective fields.

The Company appreciates the level of interest surrounding these US listed chipset companies and the potential they can bring to Xped. Presently both MOU's are non-binding in nature and both parties have entered into an understanding to work with one another on incorporating ADRC into product offerings. The MOU's also restrict releasing any details including identify of the listed company, and the Company continues to honour this request whilst it continues to develop stronger relationship with each party.

Recently the Company began working on porting across ADRC technology from its lab environment and onto product lines of both US listed companies. Upon the success of the ADRC porting and integration, the Company would seek to enter into a formal agreement which amongst other commercial elements of the terms would allow the identification of the US listed companies.

## **EXHIBITION AT IOT ASIA 2016**

At the end of March, the Company attended IoT Asia in Singapore and demonstrated a range of products and devices utilising its Auto Discovery Remote Control (“ADRC”) technology to industry attendees of the event. The Xped team were on hand to liaise with industry peers and organisations on ways to incorporate and engage ADRC into their products and solutions.

As part of the IoT event, Xped demonstrated Xerts capability, which is patented technology that can create and transfer digital coupons using its one-tap process to the mobile device and remains dormant until it receives a specific trigger to activate.

Following the completion of the event the Business Development team has received several lines of enquires from parties interested in both ADRC and XERTS integration and capabilities. Should these level of enquires progress further then details will be released to market accordingly.

## **PURCHASE AND SALES AGREEMENT WITH VITAL XENSE**

On the 5<sup>th</sup> April, Xped announced it has acquired a 35% interest in Vital Xense Pte Ltd (“Vital Xense”) a Singapore based company with a focus on designing and distributing sensor and related equipment to customers in its region.

Following both companies entering into a collaboration agreement to incorporate Xped’s technologies into a range of sensor based solutions that Vital Xense wishes to supply and distribute to its end customers, a Sale and Purchase Agreement (“SPA”) was executed with Xped to retain 35% of Vital Xense in exchange for providing services under the collaboration agreement.

## **FURTHER PATENTS GRANTED**

During the quarter, the Company received notification on patent granted for ADRC in China, which is a key target market for our technology.

## **USA APPOINTMENTS**

On the 18th January 2016, the Company announced the appointment of EAS Advisors, LLC (“EAS”) as North American corporate advisors to the Company. EAS is a New York based investment advisory firm founded in 2008, with a strong and successful track record in exposing ASX listed companies to US investors and industry partners

A recent addition to the Xped management team is Mr Charles Mauro and appointed as Senior VP Business Development – North America.

Charles has extensive Business Development and Management experience across the IT&T, Finance, Advertising/Media and Energy industries. With a career expanding over 20 years, Charles has held executive roles in Management with leadership in Sales and Marketing at the national, regional and global levels. Previous executive engagements include Xerox, Kodak, Telstra, Sensis, Sanef Group and Iceus companies

## **LEAPIN GLOBAL LICENSING AGREEMENT**

The Company announced on 3<sup>rd</sup> March, it has entered its first license agreement for its Auto Discover Remote Control (“ADRC”) technology with LEAPIN on enhancing its current door lock system ahead of trials with interested parties including a hotel conglomerate in Europe.

LEAPIN has designed an access control and unlocking system called Digital Keys. The system allows time-sensitive digital keys sent via email/SMS to the owner, their family, co-workers, or any other person needing access to the property. The travel app allows smartphone room check-in and web check-in to your accommodation to make the process simple and streamlined and avoid unnecessary check-in queues.

Adding ADRC functionality to the product offering has the capability to allow control of devices within a hotel room upon entering or utilising Xped’s technology to embed digital coupons into the mobile device used to enter the room.

## **EXTRAORDINARY GENERAL MEETING HELD**

On the 4th March, an Extraordinary General Meeting (“EGM”) was held to put forward the Xped acquisition opportunity and associated resolutions.

All resolutions were passed in favour and the company subsequently entered suspension of trading whilst it complied with ASX listing rules.

## **STAFF APPOINTMENTS**

On the 18<sup>th</sup> February, Luke Arthur was appointed as joint Company Secretary.

## **LEGACY PROJECTS**

### **SOKORIA GEOTHERMAL PROJECT**

During the quarter, the focus was on completing the Xped acquisition and little time spent on the Sokoria project. The company continued to evaluate potential strategic partners who have provided lines of enquiry and will hold further discussions with Bakrie Power on opportunities going forward.

### **NGEBEL AND DAIRI PRIMA GEOTHERMAL PROJECTS**

These projects were fully impaired at 30th June and all other in-country works have been put on hold.

### **AUSTRALIAN GEOTHERMAL PROJECTS**

No other direct works were completed on any of the Australian tenements during the quarter, other than in respect of licence renewals and the like to ensure that all of these tenements remain in good standing.

As noted in the Prospectus lodged on 18th January 2016, the Company will look to divest its impaired geothermal assets.

## FINANCE AND ADMINISTRATION

### CASH HOLDINGS

At the end of the quarter, the Company's cash position stood at approximately \$8,961,000

### EQUITY HOLDINGS

Nil

### HSEC

During the quarter under review, there were no reportable incidents relating to health, safety or community related matters.

### SHAREHOLDINGS

As at the date of this report, the following table represents the total equity instruments on issue in Xped Limited:

Equity Category	Details	Number on Issue
Listed Ordinary Shares	<b><u>ASX : XPE</u></b>	1,182,911,128
Listed Options	<b><u>ASX : XPEOB</u></b> Strike Price of \$0.015 Expiry 21 July 2016	349,387,424
Unlisted Ordinary Shares	Subject to Escrow	527,418,116
Unlisted Shares	Management performance shares (1:1 ratio)	150,000,000
Unlisted Options	Strike Prices from \$0.07 to \$0.13 Expiring 24 months from allotment	30,000,000
Unlisted Options	Strike Prices from \$0.75 to \$1.50 Expiring 15/12/16	1,100,000

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Xped Limited

ABN

89 122 203 196

Quarter ended ("current quarter")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) staff costs	(173)	(389)
(b) advertising and marketing	(125)	(260)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(620)	(959)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	6	9
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid		
1.7 Other (Xped merger costs)	(192)	(235)
<b>Net operating cash flows</b>	<b>(1,105)</b>	<b>(1,838)</b>

+ See chapter 19 for defined terms.



**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(1105)</b>	<b>(1,838)</b>
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	(163)
(c) intellectual property	(63)	(63)
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)	-	-
(b) equity investments	-	668
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	250
1.11 Loans to other entities	(232)	(315)
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	5	5
<b>Net investing cash flows</b>	<b>(290)</b>	<b>382</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,395)</b>	<b>(1,456)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	8,025	10,171
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	50	76
1.18 Repayment of borrowings	(276)	(318)
1.19 Dividends paid	-	-
1.20 Other (Share issue costs)	(20)	(26)
<b>Net financing cash flows</b>	<b>7,779</b>	<b>9,903</b>
<b>Net increase (decrease) in cash held</b>	<b>6,384</b>	<b>8,447</b>
1.21 Cash at beginning of quarter/year to date	2,577	514
1.22 Exchange rate adjustments to item 1.20		
<b>1.23 Cash at end of quarter</b>	<b>8,961</b>	<b>8,961</b>

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	167
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

640,000,000 fully paid ordinary shares issued pursuant to Xped Holding Limited reverse takeover.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

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+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	8,961	2,577
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>8,961</b>	<b>2,577</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 29<sup>th</sup> April 2016  
 Company secretary

Print name: Julie Edwards

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+ See chapter 19 for defined terms.

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.