



Level 6, 412 Collins Street
MELBOURNE VIC 3000
Ph (03) 9642 0655 Fax (03) 9642 5177
www.rayagroup.com.au
ABN: 89 122 203 196

ASX Release

24 October, 2015

RAYA ACQUIRES 'IOT' TECHNOLOGY COMPANY XPED HOLDINGS LTD

Highlights

- XPED positioned to **COMMERCIALISE PATENTED TECHNOLOGY** with **CHIP-SET** manufacturers staking a claim in a new lucrative market
- **APPOINTMENT OF JOHN STEFANAC AS CEO**, formerly **QUALCOMM (NASDAQ: QQQ)** President of Southeast Asia & Pacific upon completion.
- Revolutionary **AUTO DISCOVERY REMOTE CONTROL (ADRC)** technology allows a common platform for devices to share a common language making **INTERNET OF THINGS (IoT) TECHNOLOGY** a reality
- XPED founders have invested in excess of **\$6,000,000** in the technology to date
- BY 2020 IoT market estimated to exceed **\$1 TRILLION** with **50 BILLION** devices to be connected to the IoT
- **EXTENSIVE PATENT PORTFOLIO** with 8 patents underway: 2 granted, 5 in national phase and 1 in provisional phase across 14 countries and Europe
- **EARLY REVENUE** Business Development focus with a number of parties in Australia and Asia presently engaged at various stages
- Developed the **WORLD'S FIRST DEVICE BROWSER** called **DEB** which abolishes the need for developers to write a device App
- Vendors John Schultz and Chris Wood are successful entrepreneur's with an excellent **TRACK RECORD** in commercialising technology including collaborations with Universities



Xped Holdings Acquisition

Raya Group Ltd (**ASX: RYG**) is pleased to announce that it has entered into a binding Heads of Agreement (**HOA**) with the key shareholders of Xped Holdings Ltd (**Xped**) to acquire all of the issued capital (**Sale Shares**) in Xped (**Xped Acquisition** or the **Transaction**). Under the HOA, the remaining shareholders who hold 4.4% of Xped are expected to sign documentation by 3 November 2015, which will provide RYG with a right to then acquire 100%.

The Directors of the Company are of the view that the acquisition of Xped will create a significant opportunity for both Raya Group and Xped stakeholders, enabling Xped to become a major force in the lucrative "INTERNET OF THINGS" (**IoT**) market.

Acquiring Xped will enable RYG to then review the most appropriate course of action to take with its existing interests whilst at the same time, adding significant shareholder value in the lucrative IoT technology space.

About Xped

In 2008 John Schultz, Chris Wood and Phil Carrig were working together on an electronics project that needed a phone to work with a new type of dock. They weren't satisfied with the limitations of the plug-and-play systems that existed.

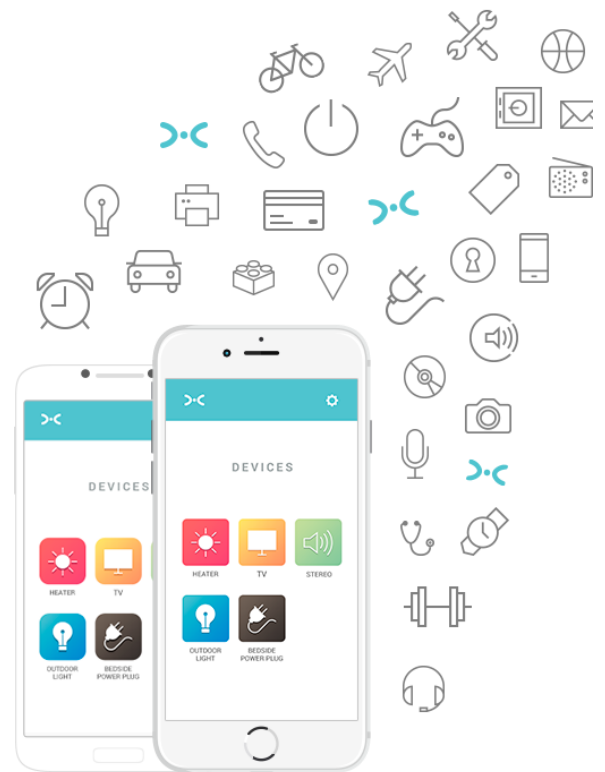
What they conceived was a new and better way to communicate with devices which opened up opportunities beyond their first need, including fixing the limitations and frustrations of the remote control systems we have in our lives today. A system that simplifies how we control and monitor devices, using a smartphone and a single, simple to use and intuitive App that works for all devices.

The company name reflects the invention of a new pedigree (ped) of devices that crosses (X) into a new era of technology and human interaction.

Xped's passion in Making Technology Human Again resulted in the creation of an IoT platform that was simple to use, as friendly as a handshake and as natural as a conversation.

The operations of Xped now span from its original base in Adelaide across to Singapore with its established Corporate Global Headquarters. Further plans are currently underway to expand into the United States.

Xped's goal is to establish itself as a highly-successful and commercially-profitable enterprise by effectively, efficiently and on time implementing the business models



For personal use only

What is “INTERNET OF THINGS” (IoT)

The IoT, is the network of physical objects or "things" embedded with electronics, software, sensors, and connectivity to enable objects to collect and exchange data. The IoT allows objects to be sensed and controlled remotely across existing network infrastructure, creating opportunities for more direct integration between the physical world and computer-based systems, and resulting in improved efficiency, accuracy and economic benefit. Each thing is uniquely identifiable through its embedded computing system but is able to interoperate within the existing Internet infrastructure. Experts estimate that the IoT will consist of almost 50 billion objects by 2020*.

The term “Internet of Things” was coined by British entrepreneur Kevin Ashton in 1999. Typically, IoT is expected to offer advanced connectivity of devices, systems, and services that goes beyond machine-to-machine communications (M2M) and covers a variety of protocols, domains, and applications. The interconnection of these embedded devices (including smart objects), is expected to usher in automation in nearly all fields, while also enabling advanced applications like a Smart Grid, and expanding to the areas such as Smart city.

Things, in the IoT, can refer to a wide variety of devices such as heart monitoring implants, biochip transponders on farm animals, electric clams in coastal waters, automobiles with built-in sensors, or field operation devices that assist fire-fighters in search and rescue. These devices collect useful data with the help of various existing technologies and then autonomously flow the data between other devices. Current market examples include smart thermostat systems and washer/dryers that use Wi-Fi for remote monitoring.

Besides the plethora of new application areas for Internet connected automation to expand into, IoT is also expected to generate large amounts of data from diverse locations that is aggregated very quickly, thereby increasing the need to better index, store and process such data



“ The **internet** gave us the opportunity to connect in ways we could never have dreamed possible.

The **Internet of Things** will take us beyond connection to become part of a living, moving **global nervous system**. ”

*Cisco - www.cisco.com/web/solutions/trends/iot/portfolio.html

What is the “ADRC” Technology

Xped Holdings Limited has developed the technology that allows a single control unit like a personal Smart Phone to remotely connect and govern all electronic devices or appliances that are currently found in our everyday environment.

In the same way we are all familiar with the web browser that standardises the way people interact with web pages and allows us to access content and communicate, the Directors believe the Xped team has developed the World’s First Device Browser - a unique, single, ubiquitous App which will now standardise the way people and devices will interact.

The IoT is where every day physical objects are connected to the Internet and identify themselves to other devices. The IoT is tipped as the next great revolution in technology and the next evolution of the internet.

The Xped vendors believe the development of the IoT has been held back by the lack of a prime operating language / platform for devices to interact with the IoT.

The current state of play has dedicated Apps specific to that device or brand of device being created:

- Increasing development time and costs for product developers and meaning that there is no uniformity or compatibility with other devices
- negating the power of the IoT. Xped, with its technology and consumer products, provide the consolidation platform, through which all devices share a common language and operating platform to make the IoT a reality.

Now all devices with ADRC software will have a common operating platform. Developed by Xped, the technology behind the Device Browser App is called Auto Discovery Remote Control (ADRC) which standardises the interface with any device, connected to the internet or not. It creates a new generation of smart device, simplifying our lives and **making technology human again.**

It is as simple as **Tap N’ Control**. Tap Near Field Communication (NFC) enabled Smart Phone running the Device Browser to an ADRC enabled device and it’s ready to control. The phone automatically discovers the device, sets up a secure wireless network, gathers any resources needed and learns how to render the user interface; all from one tap. An icon appears on the phone screen and once opened full operation of that device is accessed, remotely. Energy consumption and management functionality is also natively built in, simplifying how we manage our resource usage.

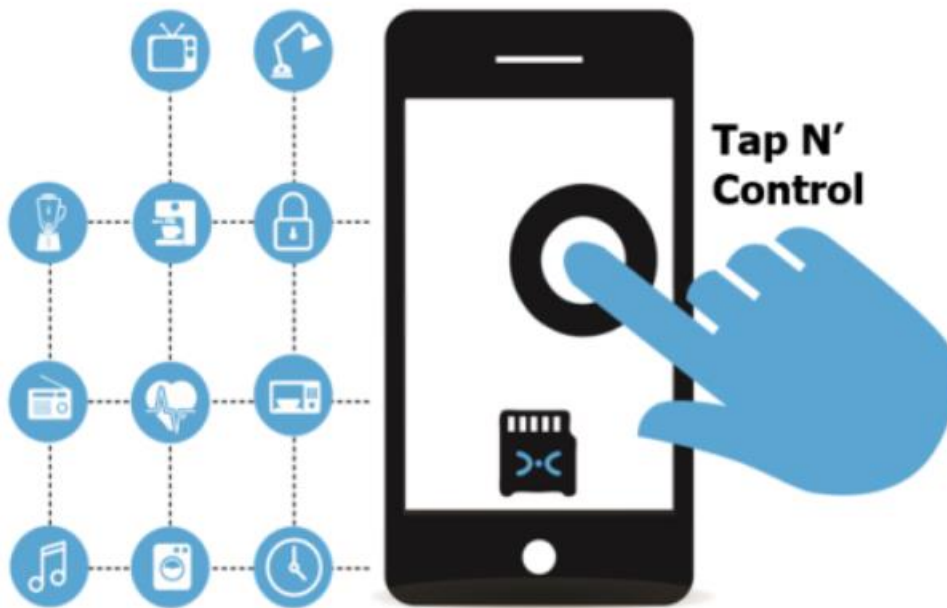
To manage the evolutionary transition between today and tomorrow’s consumer devices, Xped has developed Gateway devices such as infrared blasters and smart plugs that allow non ADRC devices to be controlled today, such as TVs, DVD players, air conditioners, etc. allowing you to take control of your smart home.

This system has been developed specifically for the unique requirements of devices, rather than shoehorning web technology into devices.

The result: a non-compromised solution that works for the lowest common denominator like a small sensor, right up to a complex system such as a car.

The ability to connect and control all electronic devices and appliances from one single control unit was once a dream for the future. Well the future has arrived.

It is as simple as Tap and Control.



You simply tap an ADRC enabled Smartphone running the device browser to any other ADRC enabled electronic device including a TV, amplifier, air-conditioner etc. anything, and it's ready to control. The phone automatically discovers the device, sets up a secure wireless network, gathers the resources needed and learns how to render the user interface, all in one tap.

“XPED - MAKING TECHNOLOGY HUMAN AGAIN”

Key Barriers Provides Strong Defensibility:

1. The majority of the technology has been developed from the ground up and replicating this would constitute a significant resource investment.
2. Much of the technology is open sourced so it is freely available for adopters to use.
3. The IP that is not open sourced is readily available for adopters to use through purchasing a low cost chip or paying a small royalty fee, making the cost of copying less attractive.
4. Patent applications protect the IP and the systems that have been built. Partnering with a significant global player will provide resources to co defend the IP.
5. First mover advantage.

Transaction Overview

Under the terms of the Heads of Agreement, the Company has reached agreement with the key shareholders and founders holding some 95.6 % and understand that by 3 November 2015, the remaining shareholders who hold some 4.4 % will have completed documentation enabling RYG to then acquire 100% of the issued capital of Xped (**Xped Vendors**). On this happening RYG will make a non-refundable payment of \$50,000 to Xped to fund working capital.

In consideration for all of the Sale Shares, the Company will pay 640,000,000 FPO RYG Shares to the Xped Vendors as the purchase price (**Purchase Price**).

Additionally, there are some 150,000,000 managed performance based shares to be issued along with 320,000,000 Management Incentive Options each exercisable at 2 cents on or before 36 month from listing date (**Further Options**). It is noted that the performance milestones for Xped Holdings is defined by 3 separate and distinct events as noted below.

RYG will agree to issue performance shares which are convertible upon attainment of milestones into further fully-paid shares to the former shareholders of Xped Holdings upon obtainment of various identified milestones being achieved by the required date as follows:

Milestone 1:

Allotment of 50,000,000 in RYG shares when the company exceeds a market capitalisation of \$75,000,000 for 20 consecutive days and the revenues of RYG for any 12 month period is not less than \$500,000 within 18 months of listing date

Milestone 2:

Allotment of 50,000,000 in RYG shares when the company exceeds a market capitalisation of \$100,000,000 for 20 consecutive days and the revenues of RYG for any 12 month period is not less than \$750,000 within 24 months of listing date

Milestone 3:

Allotment of 50,000,000 in RYG shares when the company exceeds a market capitalisation of \$125,000,000 for 20 consecutive days and the revenues of RYG for any 12 month period is not less than \$1,000,000 within 36 months of listing date

The completion of the Heads of Agreement is proposed to be subject to a number of conditions precedent, including:

- For personal use only
- (a) RYG being satisfied in its absolute discretion with the results of its own due diligence. A due diligence period would run until 30 November 2015, or such later date as mutually agreed, during which RYG would have the exclusive right to undertake due diligence enquiries and investigations in relation to all aspects of Xped;
 - (b) Obtainment of an Independent Experts Report as to the fairness and reasonableness of the Xped Acquisition ;
 - (c) all necessary ASX and ASIC approvals, waivers and confirmations being obtained by RYG in respect of the Xped Acquisition;
 - (d) all necessary board and shareholder approvals being obtained by both RYG and Xped in respect of the Xped Acquisition; and
 - (e) The shareholders holding 4.4 % who have not signed the HOA at this time, executing by 3 November 2015 , documentation to provide RYG with a right to acquire 100% of Xped.

Upon completion of the Xped Acquisition, the executive team of RYG will comprise of two Xped Directors and two Raya Group Directors with both companies having two directors appointed to the board as a result of the Xped Acquisition.

The timing and completion of the Xped Acquisition will depend on the satisfaction of the conditions precedent, which in some cases are not within the control of the Company. If the conditions precedent are not satisfied or waived by the agreed date, either party may elect to not proceed with the Xped Acquisition.

Further details of the Xped Acquisition will be outlined in the notice of meeting which will be sent to shareholders to consider and approve, among other things, the transaction.

Chapter 11 of the ASX Listing Rules

The Xped Acquisition will result in the application of Chapter 11 of the Listing Rules in relation to RYG due to resulting in a significant change in the nature and scale of RYG's activities.

As such, the Company proposes as part of the Xped Acquisition to:

- (a) obtain shareholder approval for the purposes of Listing rule 11.1.2, and
- (b) re-comply with Chapters 1 and 2 of the ASX Listing Rules pursuant to Listing Rule 11.1.3.

In accordance with the rules of admission, RYG is required to satisfy a number of conditions. As such, RYG is required to lodge a prospectus pursuant to section 710 of the *corporations Act 2001* (Cth), pursuant to which the Company intends to undertake a capital raising to raise a minimum of \$3,000,000 and up to \$5,000,000 at an issue price of not less than \$0.02 per RYG Share together with one (1) free attaching Further Option for every five (5) RYG shares held. **(Capital Raising)**

Details of the Capital Raising will be announced to shareholders as soon as they have been determined by the Board. RYG anticipates seeking listing approval for the Further Options issued pursuant to the HOA and the Capital Raising, subject to any applicable escrow.

The Company's shares will be placed in suspension from the commencement of trading on the date of the shareholder's meeting to approve the transaction, pending the outcome of the shareholder meeting and the Company's re-compliance with Chapters 1 and 2 of the Listing Rules.

Indicative Capital Structure following Xped Acquisition and Proposed Capital Raising

The table below outlines the indicative capital structure of the Company based on;

- the Xped Acquisition ; and
- the Capital Raising being effected at no less than \$0.02 per RYG Share.

Subject	Shares	Listed Options RYGOB	Options
Current Issued Capital	640,000,000	389,716,667	-
Proposed Issue of Shares to Vendor Xped	640,000,000	-	320,000,000
Proposed Issue pursuant to the Proposed Capital Raising	250,000,000	-	50,000,000-
Brokers & Advisers*	10,000,000		55,000,000
Total	1,540,000,000	389,716,667	425,000,000

* RYG may issue up to a maximum of 10,000,000 Shares and 50,000,000 Further Options to brokers and other corporate advisors; and If the acquisition is completed RYG will issue 5,000,000 Further Options to Xped's advisor ASSOBS Ltd (included in Brokers and Advisers options).

Indicative Timetable

The indicative timetable for completion of the Xped transaction, including the shareholder's meeting, and the Company's re-compliance with the ASX listing rules, including the proposed Capital Raising, is outlined below:

Event	Date
Acquisition of Xped Announced (Execution of Binding HOA)	26 October 2015
Complete due diligence investigation	30 November 2015
Dispatch notice of meeting seeking approval from shareholder	24 December 2015
Lodgment of Prospectus with ASIC	22 January 2016
Dispatch of Prospectus & Opening of Offer under the Prospectus	29 January 2016
General meeting and meeting to approve the acquisition and related matters	12 February 2016
Expected completion date for offer under the Prospectus	4 March 2016
Completion of acquisition and issue of shares under the Prospectus	4 March 2016
RYG Share recommence trading on ASX	11 March 2016

These dates are estimated and may be subject to change.

Raya Group acquisition of Xped is conditional upon, amongst other things, Raya and Xped satisfactorily completing mutual due diligence, and subject to the ASX listing rules.

For personal use only

The Company wishes to advise that Daniel Lanskey has retired from the board effective 22nd October 2015.

The board would like to thank Mr Lanskey for his contribution to the Company and wishes him all the very best as he continues his involvement in the US Oil and Gas sector.

For more information:

Xped Inquiries:

John Stefanac
CEO – Xped Holdings Limited
M 0438 040 304
E jmstefanac@xped.com
www.xped.com

Raya Group Inquiries:

Company Secretary
T 03 9642 0655
E info@rayagroup.com.au

Company Advisor:

Faldi Ismail
Otsana Capital
M 0423 206 324
E Xped@otsana.com

Media Inquiries:

Asher Moses
Media & Capital Partners
M 0438 008 616
E david.greer@mcpartners.com.au

Ends

For personal use only

