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ASX Release

XPED AND TELINK TO DEVELOP GLOBAL FIRST IOT CHIP WITH ADRC

Highlights

- XPED & TELINK TO JOINTLY DEVELOP A NEW SERIES OF SEMI-CONDUCTORS OR IC CHIPS WITH THE INTEGRATION OF ADRC TECHNOLOGY
- JOINT MARKETING AND COLLABORATION AGREEMENT SIGNED
- DUAL MARKETING AND RESOURCE SHARING TO COMMENCE IMMEDIATELY
- ENGINEERING DEVELOPMENT TO PORT ADRC TECHNOLOGY ONTO TELINK IOT CHIP TO COMMENCE IMMEDIATELY
- TELINK PRODUCES ONE OF THE LOWEST COST IOT CHIPS IN THE WORLD MAKING IOT IMPLEMENTATION INTO DEVICES AFFORDABLE

Xped Ltd (ASX: XPE) ("Xped" or "the Company") wishes to announce that the Company and Telink Semiconductor (Shanghai) Co, Ltd ("Telink") have entered into a Joint Collaboration and Marketing Agreement ("JCMA") that will see the parties work together and market their respective products and technologies.

Under the JCMA the parties agree to:

- jointly market and promote the respective products and technologies of the parties, being Telink semi-conductors or IC chips and Xped Auto Discovery Remote Control ("ADRC") Technology;
- work on porting or adapting the current build of the ADRC Technology so that it operates or is otherwise able to be used in specific Telink semi-conductors;
- jointly develop a new series of semi-conductors or IC chips based on, incorporating or embedded with the ADRC Technology;
- collaborate and work together for the parties' mutual benefit; and

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- collaborate and work together for the benefit of a party's respective customers.

Xped and Telink have a mutual understanding and recognition of each company's capability and technology and have identified an opportunity to jointly develop a new range of semiconductors or IC chips.

The agreement will see each party cross license their respective Intellectual Property ("IP") of the technology being utilised in the agreement on a non-exclusive, world-wide and non-transferable license to the other party.

The companies have agreed to negotiate in good faith as to any future royalty, commission or other financial sharing arrangements with respect to the commercialisation, sale, distribution or dealings in relation to:

- (a) any Telink semi-conductors or IC chips with the ported or adapted ADRC Technology;
- (b) any semi-conductors or IC chips developed by Telink based on, incorporating or are embedded with any ADRC Technology; and
- (c) any other products or technologies agreed by the parties.

This formal agreement with Telink highlights the desire for both parties to join forces and incorporate respective IP and patented technology and build a world-class IOT chip that can be distributed to Telink's customers.

Telink has the vision to become the world's leading IOT connectivity chip supplier and has been recognised as having the world's first all in one IoT Chip in 2015. Telink founded in 2010, now has over 10 chips in mass production, with offices in USA, Taiwan and China. Telink are one of the lowest cost producers of IoT chips in the world, which makes it more affordable for companies to adopt this technology and has the capability to scale its mass chip production from the ongoing demand as more IOT devices come to market.

Telink is one of the only companies with true mature Bluetooth Low Energy ("BLE") mesh technology and has a number of key patents that cover the BLE field. Telink currently supplies its chips to leading customers, including GE, who have adopted Telink's BLE mesh and produces in excess of 5m chips a month.

Intel Capital identified the opportunity to invest in Telink in 2015 and actively supports the company as it continues to ramp up its production capability and range of product offerings. Telink achieved revenue of over USD \$15m in 2015, and expects to triple its revenue earnings by end of 2016, on the back of unprecedented demand for its chips.

US listed chipset manufacturers have already recognised Xped's ADRC technology, and the Company continues to work with each group to integrate ADRC into their respective products.

Telink Chairman and CEO Dr Wenjun Sheng stated, “We are extremely excited to be working with Xped. Xped’s unique solution will enhance our IoT chip offerings and create a matchless global first end-to-end solution”.

“The opportunity at hand is significant; IoT is the future and the joint collaboration and porting of Xped’s software onto our Telink Chips will add significant value. The combination of both Telink and Xped’s technology will provide access to new channels and revenue opportunities for both companies, as well as giving prospective and existing customers of both Telink and Xped fresh and innovative optionality that until now has never been available.”

Xped will continue to release further information to the market surrounding the JCMA as it becomes available.

By Order of the Board

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About Xped

Xped has developed revolutionary and patent protected technology that allows any consumer, regardless of their technical capability, to connect, monitor and control devices and appliances found in our everyday environment. It's as simple as two people shaking hands. By enabling the Internet of Things, Xped's ADRC platform will bring benefit to Manufacturers, Retailers, Service Providers and Consumers.

About Telink

Telink is a fabless semi-conductor or IC chip design company headquartered in China which is dedicated to the development of highly integrated low power radio-frequency and mixed signal system chips for Internet of Things (IoT) applications

For more information on "Telink Semiconductor" please visit www.telink-semi.com

At Xped, we're ***Making Technology Human Again.***