

20 June 2018

ASX Limited  
20 Bridge Street  
Sydney, NSW 2000

### **Market Update**

We refer to the ASX letter dated 18 April 2018 in respect of a number of pre-conditions to be met by the Company prior to being re-instated to trading, and provide an update on the activities required by those pre-conditions.

These pre-conditions are summarised as below, consistent with the ASX numbering.

**1. Chou Qin lodging a Form 604**

Completed

**2. Mr Zhang and Mr Chang lodging a Form 3y and 3Z respectively**

Completed

**3. XPD appointing an independent expert to review and recommend changes to practices, policies, procedures and resources for complying with its Listing Rule Obligations.**

XPD is able to confirm that Mr. Roger Steinepreis of Steinepreis Paganin has been appointed to undertake the review and recommendations. Steinepreis Paganin have suitable expertise and are deemed acceptable by the ASX.

**4. XPD lodging its Appendix 4E and Annual Report with the ASX (together with Appendix 4G and Corporate Governance Statement).**

The above is primarily dependant upon the Company concluding its audit for the year ended 31 December 2017. That audit commenced on Monday 11 June and we have been advised by the audit partner that it should be concluded by the end of the first week in July.

**5. XPD confirming by way of announcement its intent to pay a dividend or not, in keeping with the announcement made on 29 May 2017.**

The newly constituted Board has not met to discuss this issue at this point of time. A decision in respect of a dividend payment must necessarily await the final results.

**6. XPD providing by way of update a comprehensive operational update.**

Mr Sheather and Mr Lill expect to travel to China during July to discuss the issue considered in 5 above and to assist them to provide all shareholders with a comprehensive update, which we would expect to also be part of the required Annual Report.

**7. XPD holding its Annual General Meeting at which Mr Simon Lill, Mr Neil Sheather and Mr Tony Lu must be elected.**

The holding of the AGM must also necessarily await the completion of the audit.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simon Lill', written in a cursive style.

**Simon Lill**  
**Director**

A handwritten signature in black ink, appearing to read 'Neil Sheather', written in a cursive style.

**Neil Sheather**  
**Director**