

ASX Announcement**Distribution Partnership with Chinese Auto Hardware Vendor**

- Connexion Media has signed a Memorandum of Understanding (MOU) with Chinese auto hardware vendor, Tass Internet of Vehicles Co. Limited (TassIOV).
- TassIOV currently supplies embedded hardware devices to 2 China-based automakers, and has commercial relationships with an additional 5 China-based automakers
- Cumulatively production capacity of 1.5 million devices per annum for the Chinese market
- Reciprocal distribution with TassIOV to co-sell CXZ Telematics services to China-based automakers and CXZ to co-sell TassIOV's hardware devices into the European and US automaker markets
- Substantial commercial opportunity for Connexion to enter the Chinese automotive market where annual new vehicle sales are expected to exceed 22 million units by 2020

22 February 2017, Melbourne Australia: Connexion Media Limited (ASX: CXZ), an innovator in the connected car market, is pleased to announce that it has signed a MOU with Chinese automotive hardware vendor, Tass Internet of Vehicles Co. Limited (TassIOV).

TassIOV, established in 2015, supplies embedded and aftermarket hardware devices and OBD-II devices for Chinese-manufactured vehicles. It currently supplies 2 China-based automakers and has commercial relationships with an additional 5 China-based automakers. Vehicles produced by the 2 automakers include TassIOV's hardware devices built in as standard. TassIOV plans to expand sales across many more China-based automakers in CY2017 and beyond.

The company has the capacity to manufacture 1.5 million devices per annum for the Chinese market.

TassIOV will co-sell Connexion's embedded CXZ Telematics service alongside its hardware offerings to its automaker customers via a licensing arrangement with Connexion Media. Connexion will assist TassIOV to sell its hardware devices into the European and US markets via the Company's established relationships with automakers and aftermarket manufacturers in these regions.

Entry into the Chinese market presents a substantial commercial opportunity for Connexion Media. China is currently the fastest growing new vehicle market in the world, with an estimated 22 million units expected to be sold annually by 2020 and an estimated total market size of 200 million vehicles, also by 2020¹.

Under the terms of the MOU, Connexion and TassIOV will collaborate to produce integrated hardware offerings that embed Connexion's telematics software into TassIOV's hardware products for distribution across the Chinese market. Connexion will also work with TassIOV to develop new SaaS solutions for the Chinese market. In addition, Connexion Media will capture all the Chinese in-vehicle data generated by TassIOV's devices.

The parties are working towards upgrading the MOU to a binding commercial contract. Commercial terms of the agreement will be finalised in the contract and may include revenue share and licensing fee arrangements. There will also be intellectual property protection provisions in the contract. Connexion Media will retain all ownership and operating rights to its telematics products.

¹ [The Automotive Market in China](#)

George Parthimos, CEO of Connexion Media, said:

“Connexion has been approached by multiple Chinese parties wanting to collaborate in the past 12 months. The Company is pleased to be partnering with its first Chinese partner TassIOV, because it has substantive existing customer networks across China.

“We are excited by the opportunity that our partnership with TassIOV presents. With many new Chinese made vehicles expected to be internet connected in the near term, Connexion Media is well placed to be an early mover in the Chinese connected car market.”

XU TAO, CEO of TassIOV, said:

“We are pleased to be partnering with Connexion Media and look forward to our reciprocal relationship which will be of great mutual benefit to our companies. We also look forward collaborating with Connexion Media to develop SaaS solutions for the Chinese market that are integrated with our hardware.”

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Media queries:

Andrew Ramadge

Media & Capital Partners

T: +61 475 797 471

E: andrew.ramadge@mcpartners.com.au

About Connexion Media

Connexion Media specialises in developing and commercialising smart car software apps and services for internet-connected vehicles and mobile devices. The Company is headquartered in Melbourne, Australia and currently has offices in Cambridge and Detroit.

Connexion has two core products in commercialisation, CXZ Telematics and miRoamer. CXZ Telematics is a highly sophisticated smart car solution that allows car fleet managers to manage an entire fleet of vehicles from a mobile phone or computer and deliver cost efficiencies through reduced maintenance costs. CXZ Telematics is able to track a range of real time and historical data including vehicle locations, distance travelled, fuel consumption, battery life, engine performance and absolute and average speeds travelled. It is also able to monitor driver behaviour and instantly send notifications and alarms to vehicle owners and fleet managers.

miRoamer is a next generation internet radio product that allows users to pick up radio stations from broad geographies, including international stations. miRoamer has become the world leader in internet radio technology, delivering a superior understanding of the technical, content and marketing demands of radio manufacturers and car makers alike.

About TassIOV

TassIOV was founded in 2015 by a team of highly qualified senior executives with extensive experience in the China automotive and IT industries. The company specialises in creating intelligent hardware ecosystem solutions for connected cars, including hardware modules for automotive manufacturers and aftermarket customers.

The company has existing commercial relationships with a number of China-based automakers.

TassIOV is based in Hangzhou China.