

11 July 2017

The Manager
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sirs,

Audio Pixels Integration Stage Update

Audio Pixels Holdings Limited (ASX: AKP and OTC: APDXY), a leader in the digital transition of loudspeakers, is pleased to inform its shareholders that together with its MEMS vendors it has completed development of a production process for the previously reported “critical points of contact” layers of the structure.

Management is extremely satisfied with the final outcome derived from originating a reliable and repeatable production process that consistently delivers the targeted performance of the “contact layers”. While this effort proved to be more challenging than originally anticipated nonetheless the fab is now progressing with maximum expediency to implement the process into the production flow, with demonstrable wafers expected in early August. The company is also in the process of filing for patent protection for this unique combination of processes.

Yours faithfully,

Fred Bart
Chairman



About Audio Pixels Holdings Limited

Audio Pixels Limited, founded in 2006, is a wholly owned subsidiary of Audio Pixels Holdings Limited, listed in Australia under the stock code of AKP (ADR's on NASDAQ International under the code ADPXY). Backed by exceptional multidisciplinary scientific research, design, and production capabilities, Audio Pixels has become a world leader in digital loudspeaker technologies. Audio Pixels' patented technologies employ entirely new techniques to generate sound waves directly from a digital audio stream using micro-electromechanical structures (MEMS). Its revolutionary technological platform for reproducing sound enables the production of an entirely new generation of speakers that will exceed the performance specifications and design demands of the world's top consumer electronics manufacturers. For more information, visit www.audiopixels.com.au/.

Forward-looking statements

This release may contain certain forward-looking statements with respect to the financial condition, results of operations and business of AKP and certain of the plans and objectives of AKP with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.