

14 February 2018

Companies Announcement Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

CLT:ASX Announcement

The Board of Cellnet Group Ltd. ("Cellnet") is pleased to provide the following business update:

In the course of the 4th quarter of 2017, Cellnet concluded a transaction with a strategic investor who the Board believes will help the international expansion of the business, accordingly JEJ has acquired 11.4% share in CLT.

JEJ is an investment vehicle associated with Cybernetic of Taiwan, a company with a strong history in the distribution of branded accessories in many countries including Taiwan, Turkey, Middle East Africa, Russia, Ukraine and South America. Cybernetic have strong supplier and customer relationships that will be advantageous in the sale and sourcing of product to Cybernetic's customer base.

Cellnet is also pleased to announce it has concluded an agreement with Wentronic Holdings GMBH, it's major shareholder, whereby Cellnet was issued 49% of the shares in a joint venture company incorporated in Singapore (Wentronic International Pte. Ltd) to promote sales of the group's brands, including 3SixT and Goobay brands, in markets outside of Europe, Australia and New Zealand.

The European and the Australian and New Zealand markets will continue to be directly addressed by Wentronic and Cellnet respectively whilst all other "International" business will be addressed by Wentronic International Pte. Ltd.

Cellnet and Wentronic will contribute proportionally toward the working capital funding requirements of Wentronic International Pte. Ltd which is not expected to exceed US\$ 1M in total.

The Board believes that the operations of Wentronic International Pte. Ltd will have a positive effect on the earnings of Cellnet.

About Cybernetic :-

"Founded in 1991, Cybernetic has been distributing Philips accessories since 1993. With the outstanding performance of Philips optical drives in the beginning, Cybernetic grew from being an optical storage product vendor to Philips' master distributor for Philips Lifestyle Entertainment accessories in contracted territories including Asia-Pacific, Middle East, Africa, Latin America and Russia / Ukraine.

Alan Sparks
Chief Executive Officer

