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ASX ANNOUNCEMENT

Netlinkz Confirms Recurring Revenue Model with China Telecom

NetLinkz Limited (ASX:NET) (**Company** or **NetLinkz**) is pleased to provide an explanation of its SaaS (Recurring Revenue Model) with China Telecom.

Netlinkz, via its reseller partner in China, sells its VIN and VSP software to the China Telecom client base. Customers of China Telecom are charged a monthly fee for each device using Netlinkz's software, with most people in China using more than one device to connect to the internet.

China Telecom, via its wholly owned subsidiary City Cloud, is the second largest provider of cloud services in China with a 24% market share, representing in excess of 50m users. China Telecom describes Netlinkz technology as "Cloud Switch" in its promotional literature, highlighting the role that Netlinkz is playing in migrating users to the cloud.

President Xi Jinping stated that it was his Government's policy to encourage all businesses migrate to the cloud. As "Cloud Switch", Netlinkz believes that this represents a huge opportunity for the deployment of its technology in this market.

Whilst Netlinkz maintains a server in China which controls the issue of software licences sold by China Telecom, all invoicing of customers is done by China Telecom and accordingly, China Telecom is also responsible for the collection of monies due.

Currently, Netlinkz is selling its software products through the China Telecom product catalogue. As announced on the 28 March 2018, Netlinkz is working with China Telecom to incorporate its software onto the China Telecom Proprietary CRM system.

Mr Yang CEO of Netlinkz China said "This is a significant development for Netlinkz as it integrates its products into the China Telecom eco system making sales and support far more efficient".

Netlinkz will be announcing its first quarterly revenue number shortly which by nature of the SaaS model deployed, is recurring whilst the licence remains active.

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About NetLinkz Limited
NetLinkz provides secure and efficient cloud network solutions. The company's technology makes Fortune-500 security commercially available for organizations of all sizes. NetLinkz has received numerous industry awards for its technology, including being a worldwide winner of the Global Security Challenge.