

12 August 2019

ASX ANNOUNCEMENT

China sales expand into Henan Province through agreement with a subsidiary of Beijing Digital Telecom Co. Limited – a reseller to China Unicom

NetLinkz Limited (ASX: NET) ('NetLinkz') is pleased to announce that JAST Limited - a distributor of NetLinkz's products in China has entered into a partnership and agency sales agreement with the wholly owned subsidiary of Beijing Digital Telecom in the Henan Province - Henan D. Phone Trade Corporation Limited ('Henan D. Phone').

Beijing Digital Telecom Co. Limited is one of China's largest and most successful telecommunications companies. Beijing Digital Telecom:

- was founded in 2001 and was listed on the Hong Kong Stock Exchange in 2014 (HKEK 06188);
- had Group sales revenue in 2018 of RMB 15 billion (AUD\$ 3bn);
- has 100 subsidiaries and 1600 outlets in 22 Provinces and 4 municipalities in China focused on mobile phone sales. (10m handsets were sold in 2018);
- is the largest mobile phone distributor in China;
- has over 20,000 employees;
- has 1500 stores overseas including in Nigeria, Indonesia, India, Spain and Thailand; and
- JD.Com recently (30 July 2019) purchased a 9% stake in Beijing Digital Telecom to boost JD.Com's online sales of mobile phones.

Henan D. Phone is a China Unicom reseller in the Henan Province (Population 95m). JAST Limited has signed a sales and distribution agreement with Henan D. Phone to develop a cloud services provider model using Netlinkz's VIN and VSP products as the core software for that service. Henan D. Phone is also moving into value added services by supplying cloud solutions to their existing customers for devices. The agreement with JAST Limited allows Henan D. Phone to offer a secure cloud based private network to their existing and new customers.

Henan D. Phone will be offering an ongoing SAAS based subscription model generating monthly payments from its customers. The core cloud offering by China Telecom Henan will underpin a subscription based financial model for the sale of Netlinkz's VIN and VSP products upon the same basis as the successful pilot program conducted by JAST Limited with China Telecom in Wuxi.

“The partnership with Henan D. Phone will position JAST to sell NetLinkz’s products and development of cloud services in the Henan Province. Furthermore, it positions JAST as a true value service provider in this sector.”

Mr. Yang - CEO of Jiangsu Aoyun Software Technology Limited (JAST)

*****ENDS*****

About Henan D. Phone

- Henan D. Phone Trade Corporation Limited is ranked No. 1 amongst the 33 holding companies of Beijing Digital Telecom. Its annual revenue was RMB 3 billion (AUD\$ 600m) in 2018.
- The rapid development of the business provides unlimited business opportunities in the central area of China.
- The company’s retail business is located in 17 cities in Henan province. There are nearly 300 existing stores and 2,000 employees.
- With a successful sales process, good service and reputation, Henan D. Phone has established a strong partnership with major mobile phone manufacturers and telecom operators globally.

About NetLinkz Limited

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