ASX PRELIMINARY FINAL REPORT

99 WUXIAN LIMITED

ARBN 164 764 729

31 December 2014

Lodged with ASX under Listing Rule 4.3A

This preliminary final report covers the consolidated entity, consisting of 99 Wuxian Limited and its controlled entities. The financial statements are presented in Renminbi (RMB), the official currency of the People's Republic of China, unless otherwise stated.

The report is based on accounts which are in the process of being audited.

Contents

Results for announcement to the market 2
Consolidated statement of comprehensive income 5
Consolidated statement of financial position 6
Consolidated statement of changes in equity 8
Consolidated statement of cash flows 9
Notes to the financial statements 10

Details of the reporting period and the previous corresponding period

Reporting period: 1 Jan 2014 to 31 December 2014 ("FY2014")
Prior corresponding period: 7 May 2013 (date of incorporation) to 31 December 2013 ("FY2013")

Results for announcement to the market

Key information

	Period ended 31 December 2014 RMB	Prior Corresponding Period RMB	% change
Revenue from ordinary operations	154,225,315	72,336,601	113.21%
Profit from ordinary operations after income tax expense	6,982,568	2,682,093	160.34%
Total comprehensive income attributable to members of the Company	6,982,568	2,682,093	160.34%

Dividends

No dividends have been paid nor are any dividends proposed to be paid.

Consolidated Statement of Comprehensive Income

Please refer to Page 5

Consolidated Statement of Financial Position

Please refer to Page 6

Consolidated Statement of Changes in Equity

Please refer to Page 8

Consolidated Statement of Cash Flows

Please refer to Page 9

Additional dividend information

The Company has not declared any dividends.

Dividend reinvestment plan

The Company has no dividend reinvestment plan.

Net tangible asset backing

	31 December 2014 RMB	31 December 2013 RMB
Net tangible asset backing per ordinary Security	21 cents	8.2 cents

At 31 December 2014, there were 1,070,024,045 shares on issue, which would convert to an asset backing of RMB 26.3 cents per share, compared to an asset backing of RMB 13.9 cents per share as at 31 December 2013.

Controlled entities acquired or disposed of

Refer to Note 18 of the Notes to the Financial Statements regarding entities acquired during the period.

Associates and joint venture entities

The Company has no associates or joint venture entities.

Other significant information

Other than the details disclosed herein, there is no other information that needs to be disclosed to investors.

Foreign entities

The reports have been prepared under Hong Kong Financial Reporting Standards.

Commentary on the operations and results

99 Wuxian is pleased to report that it has increased its gross transaction value, revenue and profit during the twelve months ended 31 December 2014. The Company earned a profit of RMB 0.67 cents per share. The Company did not propose any dividend distribution or buy back during the period.

Business Review

Since the Company was established in May 2013, 99 Wuxian has positioned itself as the leading business to business to consumer ("B2B2C") Chinese mobile commerce ("m-commerce") company in order to take full advantage of the strong industry trends in Chinese m-commerce. During 2014, 99 Wuxian focused on implementing its strategy of increasing its registered user base, increasing user engagement, expanding its platform across merchants and business partners and diversifying into new channels to market.

The Company has partnered with three telecommunications companies in China and more than fifty Chinese banks, including nine of the ten largest banks in China, giving the Company the potential to access approximately 80 per cent of consumers currently utilising mobile banking in China. For each of these partners the Company has developed tailored connections, via APPs, between the business partner and their customers in a trusted and secure environment.

At present 155 top tier merchants offer virtual and physical goods for sale through 99 Wuxian's platform. The products and services offered are very diverse and include some banking services, air, train and other transport ticketing, lotteries, healthcare products, gaming, telecommunications services, electronic vouchers and a variety of physical goods.

In terms of the competitive landscape, 99 Wuxian holds a unique and dominant position in the B2B2C segment. A number of large B2C m-commerce businesses have well established brands in China, which is why the Company adopted its B2B2C strategy. In the B2B2C space the barriers to entry are high and durable, given the difficulty for competitors to establish similar partnerships with banking and telecommunications companies, and there are few, if any, comparable businesses.

Review of Operations

99 Wuxian achieved a number of significant operational and financial milestones in 2014. The Company delivered FY2014 revenue of RMB 154.2 million up from revenue of RMB 72.3 million in FY2013[1], an increase of 113% compared to the prior corresponding period. Net profit after tax increased 160%, from net profit after tax of RMB 2.7 million in FY2013[1] to RMB 7.0 million in FY2014.

[1] Period from 7 May 2013 (date of incorporation) to 31 December 2013

99 Wuxian's significant revenue and profit growth was underpinned by its strong operational performance and delivery on strategic initiatives including the addition of almost 13 million registered users, increasing user engagement, onboarding 18 new business partners, growing the Company's rewards redemption platform and launching of several highly successful joint marketing campaigns. The Company also successfully expanded its operations into the insurance, logistics and securities markets, introduced new products to the platform and initiated its O2O strategy.

In 2014, the Company initiated and conducted a number of joint promotions with business partners and merchants offering exclusive opportunities for users to purchase goods and services through 99 Wuxian's platform. These promotions were designed to grow the registered user base and drive transaction volumes. In September 2014, the Company launched "99 Shopping Carnival", its inaugural self-directed marketing initiative with 13 business partners. The "99 Shopping Carnival" was very successful and contributed to the addition of over 5 million registered users during the September 2014 quarter.

As a result of these initiatives, in 2014 the Company grew its user base to 40.79 million registered users as at 31 December 2014, up from 27.92 registered users as at 31 December 2013, a 46% increase. The number of transactions on the platform grew by 32% to 33,307,476 in the 12 months ending 31 December 2014 up from 25,203,593 in the 12 months ending 31 December 2013. Average Transaction Value ("ATV") increased to RMB 246 per transaction in 2014, up 19% from RMB 197 in the 12 months ending 31 December 2013. These factors supported the growth of platform Gross Transaction Value ("GTV") to RMB 8.2 billion in the 12 months ending 31 December 2014 up from GTV of RMB 5.0 billion in the 12 months ending 31 December 2013, a 65% increase.

Strategy and Outlook

The Company is pleased with its progress to date, delivering exceptional growth and record results across key financial and operating metrics in FY2014. Looking forward, the Company is focused on exploiting its dominant position in B2B2C m-commerce in China and driving growth in FY2015 by continuing to capitalise on the significant market opportunity and positive growth trends in Chinese m-commerce. In the coming financial year, management will focus on disciplined execution of 99 Wuxian's 5-point growth strategy of:

- Growing the existing business with current business partners
- Growing the existing business with new business partners
- Expanding the business through new channels to market, new merchants and new products on the platform
- Implementing its O2O ("online-to-offline" and "offline-to-online") strategy
- Implementing and developing its big data strategy

99 Wuxian expects to deliver strong growth in FY2015 and benefit from operating leverage as the business continues to scale.

Statement as to the audit status

The report is based on accounts which are in the process of being audited. The Company expects that the audit, when completed, will result in an unqualified audit opinion.

99 WUXIAN LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2014 (UNAUDITED)

	Notes	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Turnover	7	154,225,315	72,336,601
Cost of sales		(74,394,348)	(45,736,776)
Gross profit		79,830,967	26,599,825
Other revenue	8	271,675	15,086
Other gains and losses, net	9	(5,897,719)	(2,810,208)
Selling and distribution expenses		(11,165,337)	(2,982,188)
Administration expenses		(54,102,009)	(17,399,066)
Profit before income tax	10	8,937,577	3,423,449
Income tax expense	12	(1,955,009)	(741,356)
Profit for the year/period		6,982,568	2,682,093
Other comprehensive income for the year/period		-	-
Total comprehensive income for the year/period		6,982,568	2,682,093
Earnings per share (RMB)	13		
Basic and diluted		0.0067	0.0030

99 WUXIAN LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2014 (UNAUDITED)

	Notes	31 December 2014 RMB	31 December 2013 RMB
NON-CURRENT ASSETS			
Property, plant and equipment	16	3,716,495	197,777
Intangible assets	17	52,928,520	54,704,234
Goodwill	29	3,440,400	3,440,400
Total non-current assets		60,085,415	58,342,411
CURRENT ASSETS			
Inventories	19	17,231,860	-
Trade and other receivables	20	159,978,103	36,815,282
Advance to a director	22	-	125,634
Cash and cash equivalents		67,779,281	59,721,007
Total current assets		244,989,244	96,661,923
NON-CURRENT LIABILITIES			
Deferred tax liabilities	30	8,714,823	9,021,503
Total non-current liabilities		8,714,823	9,021,503
CURRENT LIABILITIES			
Trade and other payables	23	11,497,859	3,168,324
Tax payables		3,181,942	920,253
Total current liabilities		14,679,801	4,088,577
NET CURRENT ASSETS		230,309,443	92,573,346
NET ASSETS		281,680,035	141,894,254
CAPITAL AND RESERVES			
Share capital	24	272,015,374	815,657
Reserves		9,664,661	141,078,597
		281,680,035	141,894,254

99 WUXIAN LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2014 (UNAUDITED)

	Notes	31 December 2014 RMB	31 December 2013 RMB
NON-CURRENT ASSETS			
Intangible asset	17	52,817,111	54,675,778
Interests in subsidiaries	18	31,787,500	19,850,500
Goodwill	29	3,440,400	3,440,400
Total non-current assets		88,045,011	77,966,678
CURRENT ASSETS			
Trade and other receivables	20	101,056,346	36,628,060
Amount due from a subsidiary	21	73,000,000	-
Advance to a director	22	-	125,634
Cash and cash equivalents		30,165,515	44,774,650
Total current assets		204,221,861	81,528,344
NON-CURRENT LIABILITIES			
Deferred tax liabilities	30	8,714,823	9,021,503
Total non-current liabilities		8,714,823	9,021,503
CURRENT LIABILITIES			
Trade and other payables	23	941,394	450,000
Tax payables		920,253	920,253
Total current liabilities		1,861,647	1,370,253
NET CURRENT ASSETS		202,360,214	80,158,091
NET ASSETS		281,690,402	149,103,266
CAPITAL AND RESERVES			
Share capital	24	272,015,374	815,657
Reserves	25	9,675,028	148,287,609
		281,690,402	149,103,266

99 WUXIAN LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2014 (UNAUDITED)

	Share capital RMB	Share premium RMB	Retained earnings RMB	Total RMB
Balance at 7 May 2013 (date of incorporation)	-	-	-	-
Profit for the period	-	-	2,682,093	2,682,093
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,682,093	2,682,093
Transaction with owners				
Issuance of shares	815,657	138,396,504	-	139,212,161
	815,657	138,396,504	-	139,212,161
Balances at 31 December 2013 and 1 January 2014	815,657	138,396,504	2,682,093	141,894,254
Transfers upon the abolition of nominal value of shares on 3 March 2014 (note 24(h))	138,396,504	(138,396,504)	-	-
Profit for the year	-	-	6,982,568	6,982,568
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	6,982,568	6,982,568
Transaction with owners				
Issuance of shares	132,803,213	-	-	132,803,213
	132,803,213	-	-	132,803,213
Balance at 31 December 2014	272,015,374	-	9,664,661	281,680,035

99 WUXIAN LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
31 DECEMBER 2014 (UNAUDITED)

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Cash flows from operating activities		
Profit before income tax	8,937,577	3,423,449
Adjustment for:		
Interest income	(266,719)	(15,086)
Depreciation of property, plant and equipment	1,214,629	583,052
Amortisation of intangible assets	1,887,466	1,089,175
Exchange gains and losses, net	5,897,719	2,810,208
Operating profit before changes in working capital	17,670,672	7,890,798
Increase in inventories	(17,231,860)	-
Increase in trade and other receivables	(124,115,915)	(17,287,152)
Increase in trade and other payables	8,329,535	3,168,324
Cash generated from operations	(115,347,568)	(6,228,030)
Interest income	266,719	15,086
Net cash used in operating activities	(115,080,849)	(6,212,944)
Cash flows from investing activities		
Purchases of property, plant and equipment	(3,780,253)	(199,453)
Additions of intangible assets	(111,752)	-
Acquisition of business, net of cash acquired	-	(50,029,915)
Advance to other entity	-	(20,113,000)
Repayment from/(advance to) a director	125,634	(125,634)
Net cash used in investing activities	(3,766,371)	(70,468,002)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	143,882,165	139,212,161
Share issue expenses	(11,078,952)	-
Net cash from financing activities	132,803,213	139,212,161
Net increase in cash and cash equivalents	13,955,993	62,531,215
Cash and cash equivalents at the beginning of year/period	59,721,007	-
Effect of exchange rate changes on cash and cash equivalents	(5,897,719)	(2,810,208)
Cash and cash equivalents at the end of year/period	67,779,281	59,721,007

1. GENERAL

99 Wuxian Limited (the "Company") is a limited liability company incorporated in Hong Kong. Its CHESS Depositary Interests ("CDIs") are listed on the Australian Securities Exchange ("ASX") (stock code: NNW). The principle place of business is located at 4F, I&F Plaza, No.80 Xin Chang Road, Shanghai, 200003. The address of the registered office is located at 27/F., Alexandra House, 18 Chater Road, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of subsidiaries are described in Note 18 to the financial statements. The Company and its subsidiaries are referred to as the "Group" hereinafter.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/revised HKFRSs – effective 1 January 2014

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) 21	Levies

Except as explained below, the adoption of these amendments has no material impact on the Group's financial statements.

Amendments to HKAS 32 - Offsetting Financial Assets and Financial Liabilities
The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - Continued

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[2]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[1]
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle[3]
Amendments to HKAS 1	Disclosure Initiative[3]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
HKFRS 9 (2014)	Financial Instruments[5]
HKFRS 15	Revenue from Contracts with Customers[4]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning or transactions occurring, on or after 1 July 2014
[3] Effective for annual periods beginning on or after 1 January 2016
[4] Effective for annual periods beginning on or after 1 January 2017
[5] Effective for annual periods beginning on or after 1 January 2018

Amendments to HKAS 16 and HKAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - Continued

(b) New/revised HKFRSs that have been issued but are not yet effective - Continued

HKFRS 9 (2014) - Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - Continued

(b) New/revised HKFRSs that have been issued but are not yet effective - Continued

HKFRS 15 - Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to each performance obligation
Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) - Continued

(c) New Companies Ordinance provisions relating to the preparation of financial statements

The provisions of the new Companies Ordinance, Cap. 622, in relation to the preparation of financial statements will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 December 2015).

The directors consider that there will be no impact on the Group’s financial position or performance, however the new Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements. The statement of financial position of the Company will be presented in the notes rather than a separate statement and the related notes need not be included, while generally the statutory disclosures will be simplified.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements, which for the financial year and the comparative period continue to be those of the Hong Kong Companies Ordinance, Cap. 32, in accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance, Cap. 622 “Accounts and Audit” which are set out in sections 76 to 87 of Schedule 11 to that Ordinance.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company as the majority of the Group’s transactions are denominated in RMB.

4. PRINCIPAL ACCOUNTING POLICIES

A summary of significant accounting policies adopted by the Group is set out below.

(a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(a) Business combination and basis of consolidation - Continued

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units ("CGU") that are expected to benefit from the synergies of the acquisition. A CGU to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(c) Goodwill - Continued

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost or valuation net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

Leasehold improvements	The shorter of lease terms and 5 years
Electronic and office equipment	3 years

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(e) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(f) Financial Instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(f) Financial Instruments - Continued

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that a financial asset is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For Loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(f) Financial Instruments - Continued

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost, including trade and other payables, are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instrument

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Hong Kong Companies Ordinance, Cap. 622, came into operation on 3 March 2014. Under the Ordinance shares of the Company do not have a nominal value. Consideration received or receivable for the issue of shares on or after 3 March 2014 is credited to share capital. Commissions and expenses are allowed to be deducted from share capital under s. 148 and s. 149 of the Ordinance.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(f) Financial Instruments - Continued

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

(g) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(h) Revenue recognition

Revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which is at the time of delivery and the title is passed to customer.

Commission income is recognised when the services on which the commission is calculated are delivered.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

Service income is recognised when services are provided. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(h) Revenue recognition - Continued

m-Commerce transactions business

Revenue derived from m-Commerce transactions business primarily arises from mobile recharge, online game recharge services and sales of merchandise on the mobile marketplace. The Group would recognise revenues from above sales transaction and related costs on a gross basis when it acts as a principal.

Following the guidance under HKAS 18 “Revenue”, whether the Group acts as a principal is based on a number of criteria, including whether it is a primary obligor, whether it is subject to inventory risk, whether it has latitude in establishing prices, whether it has latitude in selecting suppliers, in a transaction. When the Group is not a principal and is instead acting as an agent, revenues are recognised on a net basis which is commission income based on certain percentage of the sales.

In assessing the recognition basis for mobile recharge and online game recharge service, the management concluded that the ultimate suppliers are the principals based on the fact that the telecommunication operators and online game operators take responsibilities including copyright dispute, legal risk as well as price determination, while the Group mainly offers the service in provision of mobile marketplace as well as customer service to end users. Therefore, the management report revenue on a net basis.

In assessing the recognition basis for sales of merchandise, the management concluded that the ultimate suppliers are the principals based on the fact that they are primary obligor, are subject to inventory risk, and have latitude in establishing prices, while the Group mainly offers the service in provision of mobile marketplace as well as customer service to end users. Therefore, the management report revenue also on a net basis.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(h) Revenue recognition - Continued

Mobile marketing

Mobile marketing revenues are mainly derived from marketing activities for business partners, including many financial institutions, through mobile marketplace.

Mobile marketing would include revenue from mobile recharge, online game recharge services and sales of merchandise on the mobile marketplace. Also, mobile marketing revenue would also include revenue from business partners.

For marketing service income based on the actual time period that the business partners' marketing activities are carried out through the mobile marketplace, the revenue would be recognised ratably over the period in which the marketing activities are carried out.

For marketing revenue generated from mobile recharge and online game recharge service, the revenue would be recognised on net basis as explained in m-Commerce transactions business.

For marketing revenue generated from sales of merchandise, the management concluded that the Group is the principal based on the fact that the Group is primary obligor, is subject to inventory risk, and has latitude in establishing prices of merchandise for marketing activities. Therefore, the revenue would be recognised on gross basis. Relevant costs of merchandise would be recognised as a component of the cost of revenue.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(i) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on interests in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(j) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(j) Foreign currency - Continued

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. RMB) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(k) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

(iv) Other employee entitlements

Employee entitlements to annual leave are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(l) Intangible assets

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows. Intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. The amortisation expense is recognised in profit or loss and included in administrative expenses.

Licensing arrangement	30 years
Computer software	3 to 4 years

(ii) Impairment

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses for tangible and intangible assets below).

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(m) Impairment of other assets

At the end of each reporting date, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment under cost model;
- investments in subsidiaries; and
- intangible assets

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, and it is probable to result in an outflow of economic benefits that can be reliably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. PRINCIPAL ACCOUNTING POLICIES - Continued

(o) Related Parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions apply:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
(vi) The entity is controlled or jointly controlled by a person identified in (a).
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;
(ii) children of that person's spouse or domestic partner; and
(iii) dependents of that person or that person's spouse or domestic partner.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Except as discussed below, the directors of the Company are of the opinion that there are no significant effects on amounts recognised in the financial statements arising from the judgement used by management.

(a) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the group entities, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the group entities are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(b) Revenue recognition for m-Commerce transaction business

m-Commerce transaction business for mobile recharge, online game recharge, and sales of merchandise is recognised on a net basis. In assessing the recognition basis, the management concluded that the content providers are the principals based on the fact that the content providers retain the responsibility to deliver the services and merchandise, while the Group mainly offers the service in provision of promotion, collecting money on behalf of the content providers as well as customer service to end users through the mobile marketplace. Therefore, the management report m-Commerce transaction business revenue on a net basis.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - Continued

(c) Income taxes

The Group is subject to income taxes in the jurisdiction it operates. Significant judgment is required in determining the amount of provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Depreciation and amortisation

Property, plant and equipment are depreciated and intangible assets are amortised on a straight-line basis over the estimated useful lives of the assets, after taking into account their estimated residual values. The Group reviews the estimated useful lives of the assets regularly. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation and amortisation expenses for future periods are adjusted if there are significant changes from previous estimates.

(e) Impairment

In considering the impairment losses that may be required for certain of the Group's assets which include property, plant and equipment and intangible assets, recoverable amounts of these assets need to be determined. The recoverable amount is the greater of the fair value less costs to sell and the value in use. It is difficult to precisely estimate fair value less costs to sell because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which require significant judgment relating to items such as level of sales, selling price and amount of operating costs. The Group uses all readily available information in determining amounts that are reasonable approximations of recoverable amounts, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling price and amount of operating costs.

In considering the impairment losses that may be required for current receivables, future cash flows need to be determined. One of the key assumptions that have to be applied is the ability of the debtors to settle the receivables. Although the Group has used all available information to make this estimation, inherent uncertainty exists and actual may be different from the amount estimated.

6. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group's operating activities are attributable to a single operating segment focusing on provision of financial and operational services on a mobile marketplace in the People's Republic of China (the "PRC").

The Group's senior executive management monitors assets and liabilities on a consolidated basis and not by reportable segment. Accordingly, no additional information on assets and liabilities is presented.

(a) Geographic information

All of the Group's operations and assets are located in the PRC (including Hong Kong), in which all of its revenue was derived.

(b) Information about major customers

Revenues for the year of RMB144,594,699 (period from 7 May 2013 (date of incorporation) to 31 December 2013: RMB27,553,422) are derived from four customers (period from 7 May 2013 (date of incorporation) to 31 December 2013: two) which individually contributed more than 10% to the Group's revenue. Details of the revenues from these four customers are as follows:

	Year ended 31 December 2014		Period from 7 May 2013 (date of incorporation) 31 December 2013	
	Revenue RMB	Proportion to the total revenues	Revenue RMB	Proportion to the total revenues
Customer A	55,409,940	36%	N/A	N/A
Customer B	49,733,724	32%	N/A	N/A
Customer C	20,726,224	13%	8,180,695	11%
Customer D	18,724,811	12%	19,372,727	26%
Total	144,594,699	93%	27,553,422	37%

N/A - Transactions during the period did not exceed 10% of the Group's revenue.

7. TURNOVER

Turnover represents the net invoiced value of goods sold and commission and service income earned by the Group. The amounts of each significant category of revenue recognised in turnover during the year/period are as follows:

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Commission and service income	159,647,516	65,132,538
Sales of merchandise	3,596,841	10,781,292
	163,244,357	75,913,830
Less: business tax and relevant surcharge	(9,019,042)	(3,577,229)
Total	154,225,315	72,336,601

8. OTHER REVENUE

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Bank interest income	266,719	15,086
Others	4,956	-
	271,675	15,086

9. OTHER GAINS AND LOSSES, NET

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Exchange loss, net	5,897,719	2,810,208

10. PROFIT BEFORE INCOME TAX

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Auditor's remuneration	489,118	450,000
Cost of revenue by nature:		
- Promotion and advertising expenses	22,253,289	18,214,597
- Marketing merchandise	36,714,540	20,180,403
- Bank handling charge	3,987	108,116
- Ongoing service fee	15,422,532	7,233,660
	74,394,348	45,736,776
Staff cost (including directors) comprise:		
- Contribution on defined contribution retirement plan	8,002,970	3,213,539
- Salaries and staff benefits	31,733,081	11,125,082
Amortisation of intangible assets	1,887,466	1,089,175
Depreciation of property, plant and equipment	1,214,629	583,052

11. DIRECTORS' EMOLUMENTS

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Director fee	2,335,542	480,000
Salaries, bonuses, allowances and benefits	728,080	540,000
Contribution on defined contribution retirement plan	56,378	-
	3,120,000	1,020,000

12. INCOME TAX EXPENSE

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Current tax - PRC	2,261,689	920,253
Deferred tax (note 30)	(306,680)	(178,897)
	1,955,009	741,356

Hong Kong profits tax is calculated at 16.5% (period from 7 May 2013 (date of incorporation) to 31 December 2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year/period. No provision for Hong Kong profits tax has been made as the Company had no assessable profits for the year/period.

By reference to the Corporate Income Tax Law of the PRC as approved by the National People's Congress on 16 March 2007, the enterprise income tax rate applicable to PRC group companies for the current year is 25% (period from 7 May 2013 (date of incorporation) to 31 December 2013: 25%).

The income tax expense for the year/period can be reconciled to the profit per the consolidated statement of comprehensive income as follows:

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Profit before income tax	8,937,577	3,423,449
Tax calculated at the PRC enterprise income tax rate of 25%	2,234,394	855,862
Effect of non-taxable and non-deductible items, net	(422,079)	(106,588)
Tax losses not recognised	69,397	(9,915)
Deductible temporary difference not recognised	73,297	1,997
Income tax expense	1,955,009	741,356

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

Earnings

	Group	
	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Earnings for the purposes of basic and diluted earnings per share	6,982,568	2,682,093

Number of shares

	Group	
	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,042,128,653	899,173,496

14. LOSS/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Loss attributable to shareholders for the year includes an amount of RMB216,077 (period from 7 May 2013 (date of incorporation) to 31 December 2013: profit of RMB9,891,105) which has been dealt with in the financial statements of the Company.

15. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2014 (period from 7 May 2013 (date of incorporation) to 31 December 2013: Nil), nor has any dividend been proposed since the end of reporting period.

16. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements RMB	Electronic and office equipment RMB	Total RMB
Cost			
At 7 May 2013 (date of incorporation)	-	-	-
Additions	-	199,453	199,453
At 31 December 2013	-	199,453	199,453
Additions	188,500	3,591,753	3,780,253
At 31 December 2014	188,500	3,791,206	3,979,706
Accumulated depreciation			
At 7 May 2013 (date of incorporation)	-	-	-
Charge for the period	-	1,676	1,676
At 31 December 2013	-	1,676	1,676
Charge for the year	6,283	255,252	261,535
At 31 December 2014	6,283	256,928	263,211
Net Book Value			
At 31 December 2014	182,217	3,534,278	3,716,495
At 31 December 2013	-	197,777	197,777

17. INTANGIBLE ASSETS

Group	Licensing arrangement RMB	Computer software RMB	Total RMB
Cost			
At 7 May 2013 (date of incorporation)	-	-	-
Addition from business combination	55,760,000	-	55,760,000
Addition	-	29,915	29,915
At 31 December 2013 and 1 January 2014	55,760,000	29,915	55,789,915
Addition	-	111,752	111,752
At 31 December 2014	55,760,000	141,667	55,901,667
Accumulated amortisation and impairment			
At 7 May 2013 (date of incorporation)	-	-	-
Amortisation expense	1,084,222	1,459	1,085,681
At 31 December 2013 and 1 January 2014	1,084,222	1,459	1,085,681
Amortisation expense	1,858,667	28,799	1,887,466
At 31 December 2014	2,942,889	30,258	2,973,147
Carrying amounts			
At 31 December 2014	52,817,111	111,409	52,928,520
At 31 December 2013	54,675,778	28,456	54,704,234

17. INTANGIBLE ASSETS - Continued

Company	Licensing arrangement RMB
Cost	
At 7 May 2013 (date of incorporation)	-
Acquired through business combination	55,760,000
At 31 December 2013 and 2014	55,760,000
Accumulated amortisation and impairment	
At 7 May 2013 (date of incorporation)	-
Amortisation expense	1,084,222
At 31 December 2013 and 1 January 2014	1,084,222
Amortisation expense	1,858,667
At 31 December 2014	2,942,889
Carrying amounts	
At 31 December 2014	52,817,111
At 31 December 2013	54,675,778

During the period from 7 May 2013 (date of incorporation) to 31 December 2013, the Group and Shanghai Handpay Information & Technology Co., Ltd ("Handpay") entered into a licensing arrangement (the "Handpay Service Agreement"). With effective from 1 June 2013, The Group would manage, operate, maintain and finance the 99wuxian.com mobile marketplace owned by Handpay (the "Service").

99wuxian.com mobile marketplace conducts its business mainly in B2B2C platforms by linking business partners ("Business Partners") and merchants ("Merchants").

17. INTANGIBLE ASSETS – Continued

Business Partners include large scale companies from the banking, finance and telecommunication sectors with strong customer bases and merchant resources. Merchants include telecommunication companies, online game providers and travel agents which can provide goods or service to customers through 99wuxian.com mobile marketplace.

During the period from 7 May 2013 (date of incorporation) to 31 December 2013, RMB55,760,000 was paid for acquisition of the licensing rights under business combination (Note 28). The licensing period was 30 years.

In consideration for the Services provided by the Group, the Group would acquire all rights, title and interest to the operating results derived from the 99wuxian.com mobile marketplace less an ongoing service fee to Handpay. Ongoing service fee was calculated as 10% of revenue derived from the 99wuxian.com mobile marketplace and included in cost of sales.

18. INTERESTS IN SUBSIDIARIES

	31 December 2014 RMB	31 December 2013 RMB
Unlisted equity interest, at cost	31,787,500	19,850,500
Less: Provision for impairment	-	-
Net carrying amount at 31 December	31,787,500	19,850,500

18. INTERESTS IN SUBSIDIARIES - Continued

Particulars of the subsidiaries at 31 December 2014 are as follows:

Name	Form of business structure	Place and date of incorporation	Place of operation and principal activity	Paid up capital	Percentage of ownership interest
					Direct
Ninety nine Trading (Shanghai) Co., Ltd. ("NNT") 耐特耐商贸（上海）有限公司	Limited liability company	PRC 2 July 2013 (Note (i))	Investment holding in PRC	HK$40,000,000 (2013: HK$25,000,000)	100%
上海泰北信息技术有限公司("Shanghai Tapit")	Limited liability company	PRC 24 November 2014 (Note (iv))	Dormant	Nil	100%
					Indirect
Shanghai Xinshunhui Trading Co., Ltd. ("SXT") 上海鑫顺汇商贸有限公司	Limited liability company	PRC 26 June 2013 (Note (ii))	Investment holding in PRC	RMB30,100,000 (2013: RMB7,100,000)	100%
Shanghai Handpal Information Technology Co., Ltd. ("Handpal") 上海瀚之友信息技术服务有限公司 (Formerly known as Shanghai Handpal Trading Co., Ltd. 上海瀚之友商贸有限公司)	Limited liability company	PRC 4 July 2013 (Note (iii))	Provision of financial and operational services on a mobile marketplace in PRC	RMB30,000,000 (2013: RMB7,000,000)	100%

18. INTERESTS IN SUBSIDIARIES - Continued

Notes:

(i) NNT is registered as a wholly-foreign owned enterprise under the PRC law. NNT was incorporated on 26 July 2013 with registered capital of HK$10,000,000 injected by the Company. On 28 October 2013 and 11 June 2014, the Company further injected HK$15,000,000 and HK$15,000,000 into NNT respectively.

(ii) To facilitate the Group restructuring process for the purpose of Handpay Service Agreement, this intermediate holding company was incorporated on 18 June 2013 by a staff of the Group with registered capital of RMB100,000. On 23 October 2013, NNT purchase 100% equity interest of SXT at cost of RMB100,000. On 23 October 2013 and 16 September 2014, NNT made addition capital injection of RMB7,000,000 and RMB23,000,000 to SXT respectively.

(iii) To facilitate the Group restructuring process for the purpose of Handpay Service Agreement, this intermediate holding company was incorporated on 13 June 2013 by a director of the Company with registered capital of RMB100,000. On 16 December 2013, SXT purchased 100% equity interest of Handpal at cost of RMB100,000. On 16 December 2013 and 10 September 2014, SXT made an additional capital injection of RMB6,900,000 and RMB23,000,000 to Handpal respectively.

(iv) Shanghai Tapit was established by the Company on 24 November 2014 with registered capital of RMB1,000,000. Upon the fulfilment of certain criteria as stated in an agreement dated 8 September 2014, the Company, Tapit Media Pty Ltd. and Investorlink China Limited (“Investorlink China”) would inject to Shanghai Tapit to obtain 55%, 25% and 20% of its equity interests respectively. These criteria have not been fulfilled and the registered capital of the Shanghai Tapit remains unpaid up to the date of this report.

19. INVENTORIES

Group	31 December 2014 RMB	31 December 2013 RMB
Marketing merchandise	17,231,860	-

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31 December 2014 RMB	31 December 2013 RMB	31 December 2014 RMB	31 December 2013 RMB
Trade receivables	7,133,839	-	-	-
Prepayments and deposits	37,550,717	75,624	117,114	75,624
Other receivables	336,518	213,357	-	26,135
Other receivable from Handpay	114,957,029	36,526,301	100,939,232	36,526,301
	159,978,103	36,815,282	101,056,346	36,628,060

Trade receivables arose from m-Commerce transactions and mobile marketing business. At the reporting dates, the Group reviewed receivables for evidence of impairment on both an individual and collective basis.

Ageing analysis of trade receivables, based on invoice dates, that were past due but not considered impaired is as follows:

	Group	
	31 December 2014 RMB	31 December 2013 RMB
Not more than 3 months past due	7,133,839	-

The Group recognises impairment loss on trade and other receivables based on the accounting policy stated in note 4(f)(ii). At 31 December 2014 and 2013, no impairment provision was made according to the Group's assessment as there was no recent history of default in respect of these trade debtors.

The other classes within trade and other receivables do not contain impaired assets.

Other receivables due from Handpay are mainly derived from the operation of 99wuxian.com. According to the Handpay Service Agreement, during the transition period, Handpay would continue to perform all third party contracts entered into with respect to the 99wuxian.com mobile marketplace until renewal of existing contracts. Handpay continues to collect revenue and pay expenses on behalf of the Group (note 32). The amount is unsecured, interest free and repayable on demand.

The 99 Wuxian management team expects to collect the receivables due from Handpay, hence no provision for impairment has been made as at 31 December 2014 and 2013.

21. AMOUNT DUE FROM A SUBSIDIARY

The amount due is unsecured, interest-free and repayable on demand.

22. ADVANCE TO A DIRECTOR

Advance to a director of the Group and the Company disclosed pursuant to Section 78(1) of Schedule 11 to the Hong Kong Companies Ordinance, Cap. 622 which requires compliance with Section 161B of the Companies Ordinance, Cap. 32 are as follows:

	Group	Company
Name of director	Ms. Zhang Li, Amalisia **RMB**	Ms. Zhang Li, Amalisia **RMB**
Balance of amount due from		
- at 31 December 2014	-	-
- at 31 December 2013	125,634	125,634
Maximum amount outstanding		
- during year ended 31 December 2014	125,634	125,634
- during period from 7 May 2013 (date of incorporation) to 31 December 2013	125,634	125,634

The amount due from the director is unsecured, interest-free and repayable on demand.

23. TRADE AND OTHER PAYABLES

	Group		Company	
	31 December 2014 RMB	**31 December 2013 RMB**	**31 December 2014 RMB**	**31 December 2013 RMB**
Trade payables	2,173,085	-	-	-
Accruals and other payables	9,324,774	3,168,324	941,394	450,000
	11,497,859	3,168,324	941,394	450,000

Trade and other payables are due to be settled within one year.

24. SHARE CAPITAL

	Notes	Company: Number of ordinary shares of HK$1 per share	Company: Number of ordinary shares of HK$0.001 per share	Company: RMB equivalent
Authorised:				
Upon incorporation	(a)	10,000	-	7,962
Share subdivision	(b)	(10,000)	10,000,000	-
Increase in authorised share capital	(c)	-	1,790,000,000	1,425,198
At 31 December 2013 and 1 January 2014		-	1,800,000,000	1,433,160
The concept of authorised share capital was abolished on 3 March 2014	(h)	-	(1,800,000,000)	(1,433,160)
At 31 December 2014		-	-	-
Issued:				
Fully paid up				
Upon incorporation	(a)	1	-	1
Share subdivision	(b)	(1)	1,000	-
Issuance of founder shares	(d)	-	919,999,000	732,103
Placing of new shares	(e)	-	54,569,500	43,908
Initial public offering	(f)	-	50,000,000	39,645
At 31 December 2013 and 1 January 2014		-	1,024,569,500	815,657
The concept of authorised share capital was abolished on 3 March 2014	(h)	-	-	138,396,504
Placing of new shares	(g)	-	45,454,545	132,803,213
At 31 December 2014		-	1,070,024,045	272,015,374

Notes:

(a) The Company was incorporated on 7 May 2013 with an authorised share capital of 10,000 ordinary shares of HK$1 each. 1 ordinary share was taken up by the subscriber at par upon incorporation as the initial capital of the Company.

(b) Pursuant to a written resolution passed by all the shareholders of the Company on 28 May 2013, the authorised share capital comprising 10,000 ordinary shares of HK$1 each was subdivided into 10,000,000 ordinary share of HK$0.001 each.

24. SHARE CAPITAL - Continued

Notes: - Continued

(c) Pursuant to a written resolution passed by all the shareholders of the Company on 28 May 2013, the authorised share capital of the Company was increased from HK$10,000 to HK$1,800,000 by the creation of 1,790,000,000 ordinary shares of HK$0.001 each.

(d) On 29 and 30 May 2013, the Company allotted and issued 919,999,000 ordinary shares at par value of HK$0.001 for a total cash consideration of HK$919,000 (equivalent to RMB732,103) as additional capital of the Company. All the 919,999,000 ordinary shares were fully paid up upon allotment.

(e) On 31 May 2013, the Company issued 54,569,500 ordinary shares with a par value of HK$0.001 per share at a price of A$0.13 (HK$1.04). The difference between the par value of HK$0.001 per share and the amount received was credited to the share premium.

(f) On 4 October 2013, as a result of an initial public offering on the Australian Stock Exchange, the Company issued 50,000,000 ordinary shares with a par value of HK$0.001 per share at an issue price of A$0.40 (HK$3.20), raising A$20,000,000. The difference between the par value of HK$0.001 per share and the amount received was credited to the share premium, net of issuing cost.

(g) On 13 August 2014, the Company issued 45,454,545 ordinary shares with a par value of HK$0.001 per share at a price of A$0.55 (HK$4.40).

(h) The Hong Kong Companies Ordinance, Cap. 622 (the Ordinance) came into effect on 3 March 2014. Under s.135 of the Ordinance, shares in a company do not have a nominal value. Accordingly, the concept of authorised share capital is abolished. The no nominal value regime applies to the Company. Following the transitional provisions in the Ordinance, any amount standing to the credit of the share premium account at the beginning of 3 March 2014 became part of the Company's share capital.

The use of share capital from 3 March 2014 is governed by s.149 of the Ordinance. However, the application of the amount transferred from share premium account at the beginning of 3 March 2014 is governed by the transitional provision in s.38 of Schedule 11 to the Ordinance.

25. RESERVES

	Company		
	Share premium RMB	Retained earnings RMB	Total RMB
Placing of new shares	138,396,504	-	138,396,504
Profit for the period	-	9,891,105	9,891,105
At 31 December 2013 and 1 January 2014	138,396,504	9,891,105	148,287,609
The concept of authorised share capital is abolished on 3 March 2014 (note 24(h))	(138,396,504)	-	(138,396,504)
Loss for the year	-	(216,077)	(216,077)
At 31 December 2014	-	9,675,028	9,675,028

26. OPERATING LEASE COMMITMENT

At the end of the year/period, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

	Group	
	31 December 2014 RMB	31 December 2013 RMB
Within one year	19,200	-

Operating lease payments represent rentals payable by the Group for its office. Leases are negotiated for terms of one year at fixed rental.

The Company did not have any significant operating lease commitments as at 31 December 2014 and 2013.

The contingent ongoing service fee in relation to the Handpay Service Agreement as stated in note 17 to the financial statements recognised as an expenses for the year are RMB15,422,532 (period from 7 May 2013 (date of incorporation) to 31 December 2013: RMB7,233,660).

27. CAPTIAL COMMITMENT

There is no capital commitment for the Group at the end of report year (31 December 2013: Nil).

28. BUSINESS ACQUISITION

According to the Handpay Service Agreement, on 1 June 2013, the Group acquired the right to control the daily management, operation, maintenance and financing of the 99wuxian.com mobile marketplace business, a business unit of Handpay. The Group would receive all rights, title and interest to the revenue and net profit both present and future, derived from 99wuxian.com, except for an ongoing service fee to Handpay for its ongoing management and consultation services.

The ongoing service fee has been accounted for as a transaction that is separate from the business combination as it relates to services to be provided by Handpay in the future.

The acquisition was made by the Group with the aim to participate in the provision of financial and operational services on a mobile marketplace in PRC. The principal activity of the 99wuxian.com mobile marketplace is the provision of financial and operational services on a mobile marketplace in PRC.

The intangible assets on licensing arrangement were independently valued by Ascent Partners Valuation Service Limited using the income-based approach. The fair value of identifiable assets and liabilities of the acquiree as at the date of acquisition were:

	RMB
Intangible asset on licensing arrangement	55,760,000
Deferred tax liability recognised upon fair value adjustment	(9,200,400)
	46,559,600
The fair value of consideration transfer:	
- Cash	50,000,000
Goodwill	3,440,400

The goodwill of RMB3,440,400, which is not deductible for tax purposes, comprises the acquired workforce with expertise in the operation of mobile marketplace, revenue growth, and future market development.

29. GOODWILL

	The Group and the Company RMB
At 7 May 2013 (date of incorporation)	-
Acquired through business combination	3,440,400
As at 31 December 2013 and 2014	3,440,400

The goodwill arose on acquisition of business as stated in note 28 to the financial statements.

The recoverable amount of the CGU has been determined from value in use calculation based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated weighted average growth rate of 2%, which does not exceed the long-term growth rate for the mobile payment industry in the People's Republic of China.

	31 December 2014	31 December 2013
Discounted rate	30%	23%
Operating margin	52%	37%
Growth within the five-year period	2% - 15%	2% - 15%
Wage inflation	7%	7%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate within the five-year period have been based on past experience. Wage inflation has been based on independent economic data estimated by the World Bank.

30. DEFERRED TAXATION

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year/period are as follows:

	The Group and the Company
	RMB
Deferred taxation from fair value adjustment of intangible asset:	
At 7 May 2013 (date of incorporation)	-
Addition on business combination	9,200,400
Credited to profit or loss for the period	(178,897)
As at 31 December 2013 and 1 January 2014	9,021,503
Credited to profit or loss for the year	(306,680)
As at 31 December 2014	8,714,823

As at 31 December 2014, the Group has unrecognised tax losses of RMB277,558. The tax losses will expire in the next one to five financial years for offsetting future taxable profits of the Group.

31. RELATED PARTY TRANSACTIONS

Transaction with key management personnel

All members of key management personnel are the directors of the Company. The remuneration paid to them during the year/period was disclosed in note 11 to the financial statements.

31. RELATED PARTY TRANSACTIONS - Continued

Transaction with other parties

		Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Investorlink Corporate Limited ("Investorlink Corporate")	Professional services fees	6,581,825	3,768,728

Mr. Tony Groth and Mr. Ross Benson, directors and key management personnel of the Company, are associated with Investorlink Securities Limited ("Investorlink Securities"), Investorlink Corporate and Investorlink China. The professional services fees of RMB5,539,476 for Investorlink Corporate (adviser and underwriter on initial public offering and placement) were included in equity as part of the issuing cost as at 31 December 2014 (31 December 2013: RMB3,768,728).

Investorlink China and Investorlink Securities are the shareholders of the Company.

32. NOTE TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

Transactions with Handpay under Handpay Service Agreement are set out below. The amount due from Handpay in respect of these transactions is included in other receivables (note 20).

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Operating activities		
Sales received by Handpay on behalf of the Group	129,777,782	72,336,601
Operating cost paid by Handpay on behalf of the Group	(49,387,073)	(48,815,274)
Ongoing service fee charged by Handpay	(15,422,532)	(7,233,660)
	64,968,177	16,287,667

33. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

The capital structure of the Group consists of share capital and retained earnings.

The Group monitors capital using a gearing ratio, which is total debts divided by the total shareholders' equity. Total shareholders' equity comprises all components of equity attributable to the equity holders. The Group's policy is to maintain the gearing ratio at a reasonable level. The gearing ratios as at the reporting dates were as follows:

	Year ended 31 December 2014 RMB	Period from 7 May 2013 (date of incorporation) to 31 December 2013 RMB
Total debts	-	-
Total shareholders' equity	281,680,035	141,894,254
Gearing ratio	0%	0%

34. FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments in the normal course of the Group's business and credit risk, liquidity risk, interest rate risk and currency risk.

These risks are limited by the Group's financial management policies and practices and practices described below.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group exposed to credit risk from loan and receivables. The Group assesses credit risk based on debtor's past due record, trading history, financial condition or credit rating.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of reporting period, the Group has a certain concentration of credit risk as 93.9% (31 December 2013: 99.4%) of the total trade and other receivables was due from the one largest debtor of the Group.

The Group does not provide any other guarantees which would expose the Group to credit risk.

(b) Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents and have available funding through bank and other borrowings to meet its working capital requirements, where necessary. The directors consider that the Group does not have significant liquidity risk.

The following table shows the remaining contractual maturities of the Group and the Company for its non-derivative financial liabilities. The table has been drawn up using undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group and the Company is expected to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

34. FINANCIAL RISK MANAGEMENT - Continued

(b) Liquidity risk - Continued

Group	Within one year or on demand RMB	In the second to fifth year RMB	Total RMB
At 31 December 2014			
Trade and other payables	11,497,859	-	13,759,548
At 31 December 2013			
Trade and other payables	3,168,324	-	3,168,324

Company	Within one year or on demand RMB	In the second to fifth year RMB	Total RMB
At 31 December 2014			
Trade and other payables	941,394	-	941,394
At 31 December 2013			
Trade and other payables	450,000	-	450,000

(c) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rate.

(d) Currency risk

The following table indicates the approximate change in the Group's profit/loss for the year/period and retained earnings and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. A positive number in the sensitivity analysis below indicates an increase in profit and other equity where the RMB strengthens against the relevant currency. For a weakening of the RMB against the relevant currency, there would be an equal and opposite impact on the loss and other equity, and the balances below would be negative.

34. FINANCIAL RISK MANAGEMENT - Continued

(d) Currency risk - Continued

The carrying amounts of the Group's and the Company's foreign currency denominated assets and monetary liabilities at the reporting date are as follows respectively:

Group

	31 December 2014 RMB	31 December 2013 RMB
Impact of HKD		
Cash and cash equivalent	15,829,182	12,928,705
Overall net exposure	15,829,182	12,928,705
Impact of AUD		
Cash and cash equivalent	14,649,922	43,906,945
Overall net exposure	14,649,922	43,906,945

	Increase/ (decrease) in foreign exchange rates %	Effect on profit/loss for the year ended 31 December 2014 and retained profits RMB	Increase/ (decrease) in foreign exchange rates %	Effect on profit/loss for the period from 7 May 2013 (date of incorporation) to 31 December 2013 and retained profits RMB
HKD	+5%	791,459	+5%	646,435
	-5%	(791,459)	-5%	(646,435)
AUD	+5%	732,496	+5%	2,195,347
	-5%	(732,496)	-5%	(2,195,347)

34. FINANCIAL RISK MANAGEMENT - Continued

(d) Currency risk - Continued

Company

	31 December 2014 RMB	31 December 2013 RMB
Impact of HKD		
Cash and cash equivalent	15,532,639	867,705
Overall net exposure	15,532,639	867,705
Impact of AUD		
Cash and cash equivalent	14,632,876	43,906,945
Overall net exposure	14,632,876	43,906,945

	Increase/ (decrease) in foreign exchange rates %	Effect on profit/loss for the year ended 31 December 2014 and retained profits RMB	Increase/ (decrease) in foreign exchange rates %	Effect on profit/loss for the period from 7 May 2013 (date of incorporation) to 31 December 2013 and retained profits RMB
HKD	+5%	776,632	+5%	43,385
	-5%	(776,632)	-5%	(43,385)
AUD	+5%	731,644	+5%	2,195,347
	-5%	(731,644)	-5%	(2,195,347)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

35. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31 December 2014 and 2013 may be categorised as follows:

	Group		Company	
	31 December 2014 RMB	31 December 2013 RMB	31 December 2014 RMB	31 December 2013 RMB
Financial assets				
Loans and receivables:				
Trade and other receivables	122,427,386	36,815,282	100,939,232	36,628,060
Amount due from a subsidiary	-	-	73,000,000	-
Advance to a director	-	125,634	-	125,634
Cash and cash equivalents	67,779,281	59,721,007	30,165,515	44,774,650
	190,206,667	96,661,923	204,104,747	81,528,344
Financial liabilities				
Liabilities measured at amortised cost:				
Trade and other payables	11,497,859	3,168,324	941,394	450,000
	11,497,859	3,168,324	941,394	450,000