

99 Wuxian Continues Growth Trajectory

Hong Kong, 28 August 2015: 99 Wuxian, (ASX: NNW) (“99 Wuxian” or “the Company”) today announced its financial results for the half year ended 30 June 2015 (“1H15”).

Highlights¹:

- Record Gross Transaction Value (“GTV”) of RMB 5.3 billion (AUD 1.1 billion) in 1H15, up 57% on the prior corresponding period (“pcp”)
- 20.1 million transactions on the platform during the period, up 86% on the pcp
- Total registered user base of 45.6 million as at 30 June 2015; adding over 14.5 million users since 30 June 2014
- Continued expansion and diversification of the business, with the launch of new product initiatives and the addition of high quality business partners and merchants
- Net revenue of RMB 81.0 million (AUD 16.6 million)
- Underlying² EBITDA of RMB 5.4 million (AUD 1.1 million)
- Underlying PBT of RMB 3.2 million (AUD 0.7 million)
- Cash and cash equivalents of RMB 34.1 million (AUD 7.2 million) as at 30 June 2015

99 Wuxian delivered exceptional growth in registered users, transaction volumes and GTV in the first half of the 2015 financial year. The Company reported strong revenue growth with a 28% increase in net revenue on the pcp to RMB 81.0 million which was principally driven by record GTV, which increased 57% on the pcp to RMB 5.3 billion.

The Company continues to invest in future growth opportunities, including new product development, staff recruitment, expanded marketing initiatives in conjunction with business partners and further investment in the 99 Wuxian platform.

During the period 99 Wuxian launched its new Software-as-a-Service (“SaaS”) employee loyalty platform, iBenefit, to pursue opportunities in the AUD 129 billion³ Chinese employee benefits market. iBenefit’s potential is already being demonstrated with 99 Wuxian signing two top tier employers, Qunar and Wall Street English, since the launch of the service in June.

The Company continues to actively manage its product and merchant mix, adding a number of high quality merchants to the platform to cater to evolving user demand. Reflecting the success of the platform, leading Chinese financial institutions continued to adopt the platform,

¹ RMB translated into AUD using the average rate of AUD/RMB 4.8693 for the period 1 January 2015 to 30 June 2015. Cash and cash equivalents translated into AUD at the spot rate of AUD/RMB 4.7661 as at 30 June 2015.

² Underlying information excludes exceptional items (exchange gains and losses). 99 Wuxian considers underlying information to be a more suitable indicator of operating performance. References to ‘underlying’ information are to non-IFRS financial information. Non-IFRS financial information has not been audited or reviewed.

³ Management estimate of 2017 employee benefit market size.

while existing business partners actively sought to extend the range of their product offering through the platform.

As a result of this focus on further investment, 99 Wuxian reported underlying earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RMB 5.4 million, a decrease of 4% over the pcp result and underlying¹ profit before tax (“PBT”) of RMB 3.2 million, a decrease of 23% on the pcp.

At the end of the period, the Company held cash and cash equivalents of RMB 34.1 million, an increase of 52% on the pcp.

Results overview (RMB):

(see Appendix A for AUD summary metrics)

Half year ending	June 2014	June 2015	Growth
Net revenue	63,166,607	81,047,217	28%
Gross profit	29,947,847	51,692,709	73%
<i>Gross margin (%)</i>	<i>47.4%</i>	<i>63.8%</i>	
Underlying EBITDA	5,687,545	5,442,372	(4%)
Underlying PBT	4,169,709	3,196,903	(23%)
Statutory NPAT	5,993,077	1,731,264	(71%)
Cash and cash equivalents	22,469,591	34,101,452	52%
Registered users	31,086,568	45,616,919	47%
Total number of transactions	10,843,501	20,146,781	86%
Gross Transaction Value	3,369,143,326	5,305,064,175	57%

Commenting on the result, 99 Wuxian CEO Amalisia Zhang said, “I am extremely pleased with the performance of the Company during the first half of 2015, as we continue to deliver exceptional growth across key operating metrics.

“Our priority is to continue to drive growth through further investment in the platform, focusing on improving the user experience, user engagement, and expansion of our offering to capture the significant market opportunity. New initiatives, such as our iBenefit, employee loyalty platform will underpin 99 Wuxian’s future growth as we continue to expand our platform in the AUD 129 billion employee benefits market.

“The growth of China’s m-commerce market continues uninterrupted with expectations that m-commerce in China will exceed AUD 227 billion within two years, having experienced six-fold growth over a four year period.

“We are confident that we will build on this result and deliver even greater growth in the second half of the year, which is the peak period for the Chinese retail market,” she said.

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For further information, please contact:

99 Wuxian Limited
Mr Ross Benson
+61 418 254 548

Fowlstone Communications
Mr Geoff Fowlstone
+61 413 746 949

About 99 Wuxian Limited

99 Wuxian aggregates over 300 million high quality consumers and 155 leading merchants through a marketplace embedded within the mobile apps of China's leading banks, telecommunications and insurance companies. 99 Wuxian enables increased customer satisfaction, loyalty and retention for its business partners by offering consumers the lifestyle convenience of purchasing virtual and physical goods on a mobile device.

Appendix A

Results overview (AUD):

Half year ending	June 2014	June 2015	Growth
Net revenue	12,972,521	16,644,661	28%
Gross profit	6,150,387	10,616,128	73%
<i>Gross margin (%)</i>	<i>47.4%</i>	<i>63.8%</i>	
Underlying EBITDA	1,168,051	1,117,700	(4%)
Underlying PBT	856,333	656,548	(23%)
Statutory NPAT	1,230,798	355,550	(71%)
Cash and cash equivalents	4,714,461	7,155,001	52%
Registered users	31,086,568	45,616,919	47%
Total number of transactions	10,843,501	20,146,781	86%
Gross Transaction Value	691,920,718	1,089,500,641	57%

Note: RMB translated into AUD using the average rate of AUD/RMB 4.8693 for the period 1 January 2015 to 30 June 2015.
Cash and cash equivalents translated into AUD at the spot rate of AUD/RMB 4.7661 as at 30 June 2015.

Reconciliation of statutory to underlying results (RMB):

Half-year ending	June 2014	June 2015	Growth
Statutory EBITDA	8,530,637	4,989,499	(42%)
Adjustment for other gains and losses	(2,843,092)	452,873	nm
Underlying EBITDA	5,687,545	5,442,372	(4%)
Depreciation and amortisation	(1,561,286)	(2,271,595)	45%
Net interest expense	43,450	26,126	(40%)
Underlying PBT	4,169,709	3,196,903	(23%)