ANNUAL REPORT 2015

99wuxian.com

About 99 Wuxian

99 Wuxian is a leading mobile internet gateway, providing comprehensive solutions for businesses partners, connecting their customers and employees with high quality merchants for a wide range of products and services.

71 business partners

55m registered users

155 top-tier merchants

Trusted payment environment for users and merchants

71 business partners, consisting of China's leading banks including 9 of the top 10, telecommunications, insurers and companies in other sectors, utilise 99 Wuxian's proprietary technology to provide their customers and employees with a unique value-added lifestyle service. Through our strong and well established relationships with business partners, our platform is directly accessible by a large portion of people currently using mobile applications in China including mobile banking applications, social ecosystems, etc.

Our mobile platform connects our business partners' customers with direct access to a select universe of 155 top-tier merchants for transactions, offering over 3,000 virtual and physical products and services including phone and game recharge, utilities payment, transportation, e-coupons and other O2O services, based on which we further offer business partners with more value added services covered by a one-stop solution including whole-process operation and precision marketing through consumer behavior analysis.

Customers can also convert their bank and insurance loyalty points into products through our comprehensive rewards redemption mobile platform. Furthermore, we provide marketing and channel incentives for business partners to better engage with their customers in a streamline, transparent and cost effective way. Since August 2015, we started to provide employee incentive solutions to help our business partners effectively manage their employee benefit and incentive programs.

Revenue is generated by receiving commission from merchants on all transactions which are completed through our proprietary platform.

"99 Wuxian is well positioned to take full advantage of the positive growth and secular shift towards m-commerce in China."

Amalisia Zhang
Chief Executive Officer

CONTENTS

Select financial data translated into Australian dollars

99 Wuxian's financial statements are expressed in Renminbi (RMB). Select financial data has been translated from RMB into Australian dollars (AUD) to enable share/CHESS Depository Interest (CDI) holders to interpret the financial performance of 99 Wuxian. The translations are unaudited, have been provided for convenience purposes only and may not fairly present 99 Wuxian's financial position or performance.

Statement of comprehensive income and statement of cash flows information have been translated at the average rate of AUD/RMB of 4.7275 for the period 1 January 2015 to 31 December 2015. Statement of financial position information has been translated at the spot rate of AUD/RMB of 4.7442 as at 31 December 2015.

Documents incorporated by reference

This Annual Report is to be read in conjunction with 99 Wuxian's Financial Statements for the year ended 31 December 2015 released to ASX on 31 March 2016, which have been replicated in this Annual Report and are incorporated in, and taken to form part of, this Annual Report.

Highlights

- Added 13.7 million registered users - taking total registered users to 54.5 million
- Added 11 new business partners
- Operating customer and employee incentive business
- Developing O2O strategy
- Expanded into new channels to market
- Achieved record platform gross transaction value

+46%

NPAT

RMB10.2M / AUD 2.2M

THIRD CONSECUTIVE YEAR OF PROFIT

+83%

EBITDA

RMB21.5M / AUD4.5M

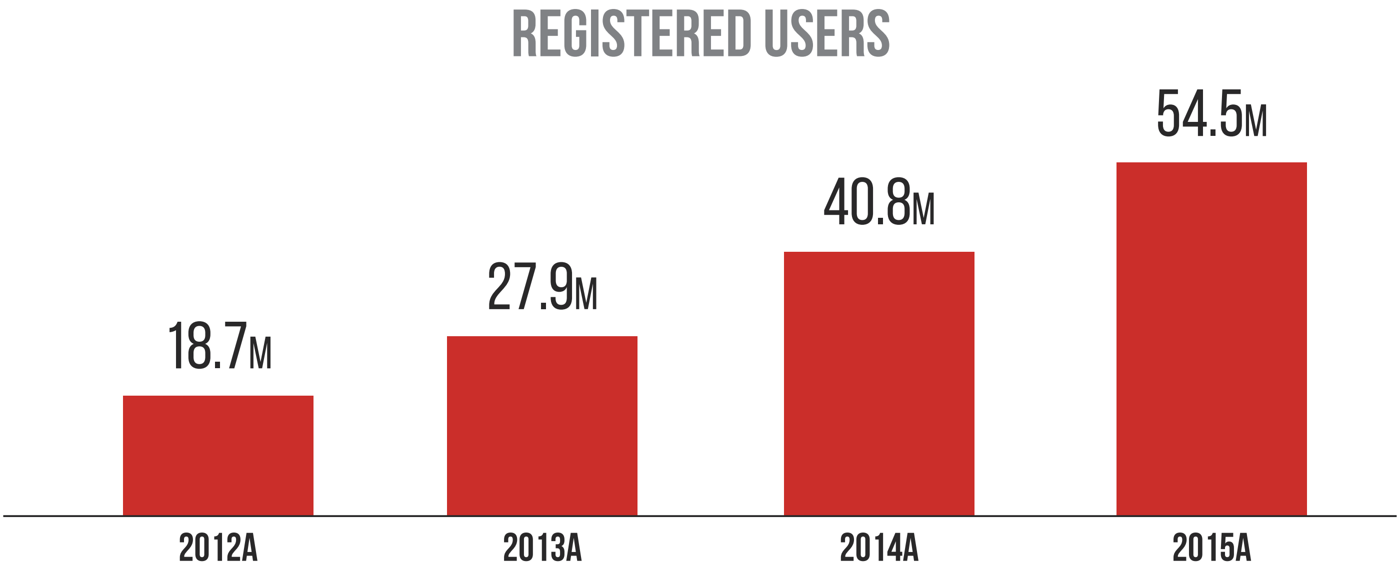
RECORD LEVEL OF EARNINGS

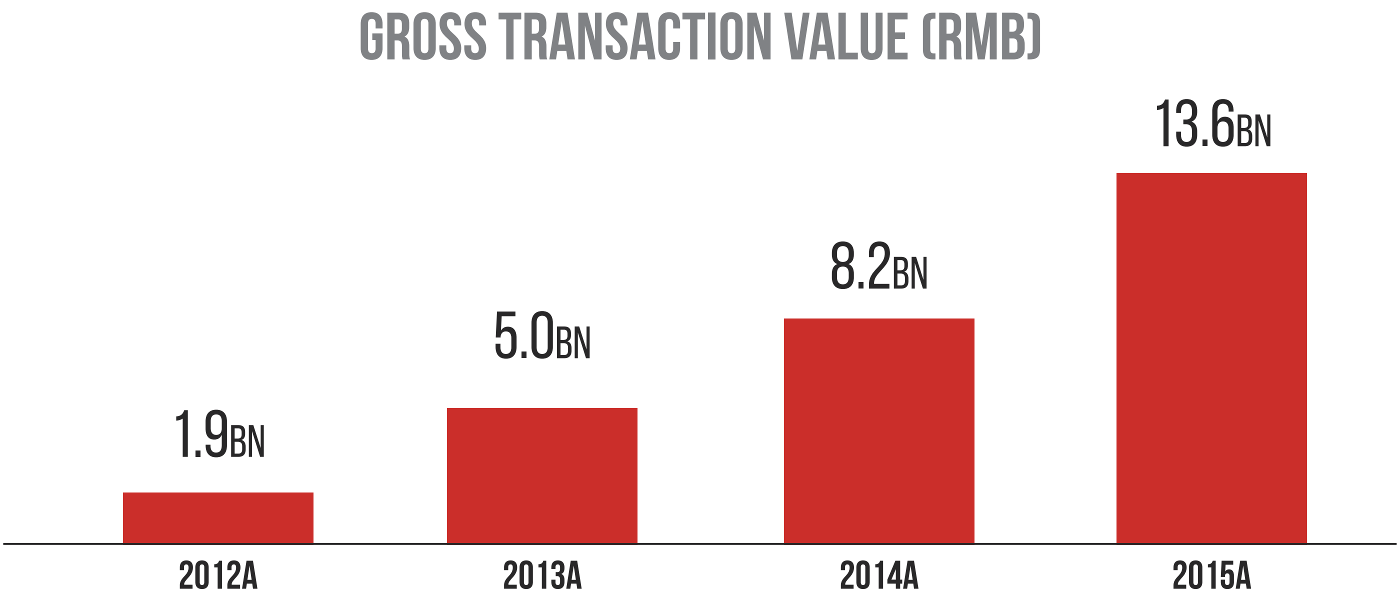
+25%

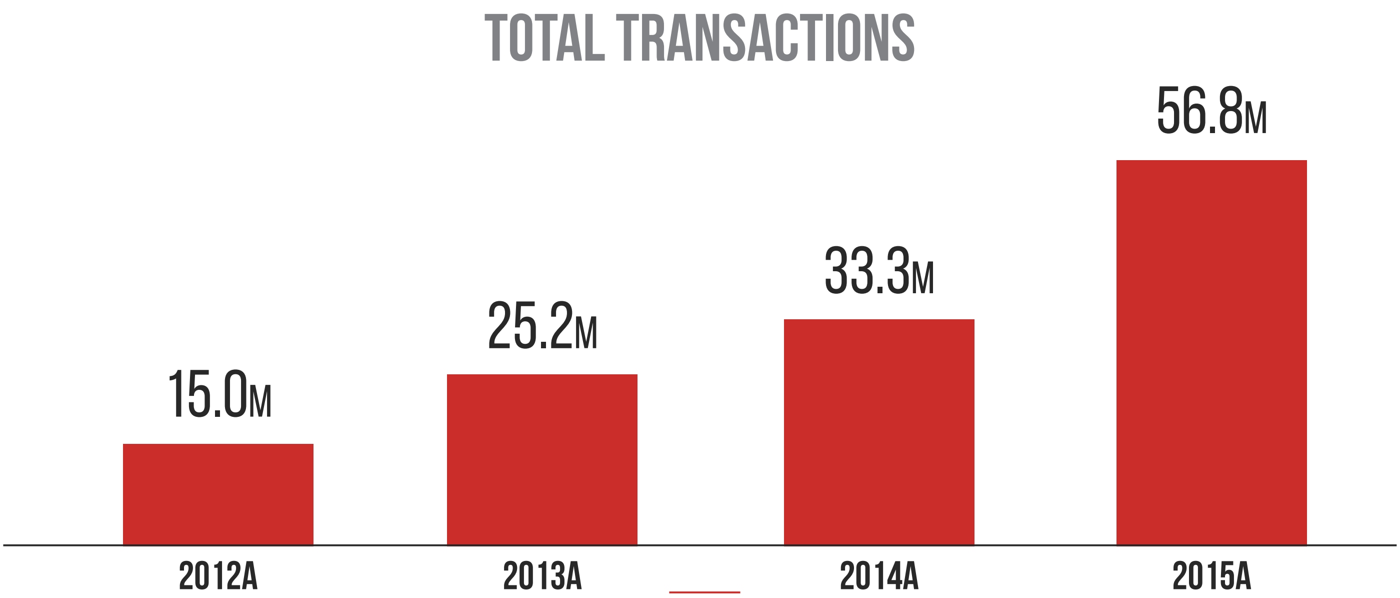
NET REVENUE

RMB192.3M / AUD40.7M

SIGNIFICANT REVENUE GROWTH


REGISTERED USERS
18.7M
27.9M
40.8M
54.5M
2012A
2013A
2014A
2015A


GROSS TRANSACTION VALUE (RMB)
1.9BN
5.0BN
8.2BN
13.6BN
2012A
2013A
2014A
2015A


TOTAL TRANSACTIONS
15.0M
25.2M
33.3M
56.8M
2012A
2013A
2014A
2015A

CEO and Chairman's review

On behalf of the Board of Directors, it is with great pleasure that we present the FY2015 annual report for 99 Wuxian Limited ("99 Wuxian" or "the Company"). This year we delivered a record result whilst strongly positioning 99 Wuxian for continued growth in the future.

For the 2015 financial year, net revenue increased by 25% to RMB 192.3 million (AUD 40.7 million), statutory earnings before interest, tax, depreciation and amortisation ("EBITDA") increased 83% to RMB 21.5 million (AUD 4.5 million) and statutory net profit after tax increased 46% to RMB 10.2 million (AUD 2.2 million). Adjusting the exchange rate fluctuation impact, underlying[1] EBITDA increased by 25% to RMB 22.0 million (AUD 4.7 million), while underlying profit before tax increased by 13% to RMB 16.7 million (AUD 3.5 million).

The results reaffirm our position as a leading m-commerce business in China and highlight the continued adoption of the 99 Wuxian platform. Our unique ecosystem aggregates our business partners, their high value customers and employees, and high quality merchants within a secure and trusted payment and point redemption environment.

In FY2015, the key areas of focus for management were increasing the size of our user base, increasing user engagement and enhancing brand awareness. The management team delivered on each of these objectives. Throughout the year, 99 Wuxian conducted numerous marketing campaigns in conjunction with our business partners, added around 13.7 million registered users to the platform, and increased the total number of transactions completed on the platform by 71% to 56.8 million.

During the year we also invested in the long term growth of the business, expanding our partner base into the insurance, logistics, securities and other industries and sectors; broadening and optimising our product offering; developing the employee incentive business in parallel with customer incentive business, and developing our online-to-offline and offline-to-online ("O2O") strategy. To facilitate downstream partner engagement focus, we entered into a strategic upstream acquisition agreement with Jiangsu Ofpay E-commerce Limited, a leading upstream wholesaler of online virtual products and services. These initiatives should deliver significant growth and further strengthen 99 Wuxian's position in Chinese m-commerce market.

99 Wuxian is uniquely positioned to capitalise on several market opportunities in China. The Chinese e-commerce market is forecasted to more than double in size over the medium term, with m-commerce being the fastest growing market. The market opportunity is driven by a number of secular trends which include increasing internet and mobile penetration rates, retail and consumer expenditure growth and the rapid adoption of m-commerce by Chinese consumers. 99 Wuxian also operates a comprehensive mobile platform in China which enables consumers to convert loyalty points into online transactions. The rewards redemption market for Chinese banks and insurance companies is expected to grow to US$40 billion in value by 2017, providing an avenue for future growth.

On behalf of the Board of Directors, we wish to thank and acknowledge the continued support of all our staff, shareholders, business partners, merchants and registered users.

Mr Ross Benson
Chairman

Ms Amalisia Zhang
Chief Executive Officer

1. 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.

Operating and financial review

Financial highlights

99 Wuxian experienced significant growth in the 12 months ending 31 December 2015.

Summary financials

	RMB millions		AUD millions[1]		
Year ended 31 December	FY2014	FY2015	FY2014	FY2015	Change
Total revenue	163.2	**203.3**	34.5	**43.0**	25%
Net revenue	154.2	**192.3**	32.5	**40.7**	25%
Gross Profit	79.8	**128.2**	16.9	**27.1**	61%
Margin (%)	51.8%	**66.7%**	51.8%	**66.7%**	1,489bps
EBITDA	11.8	**21.5**	2.5	**4.5**	83%
Margin (%)	7.6%	**11.2%**	7.6%	**11.2%**	355bps
PBT	8.9	**16.2**	1.9	**3.4**	81%
NPAT	7.0	**10.2**	1.5	**2.2**	46%
Margin (%)	4.5%	**5.3%**	4.5%	**5.3%**	78bps
Underlying[2] EBITDA	17.7	**22.0**	3.7	**4.7**	25%
Margin (%)	11.5%	**11.5%**	11.5%	**11.5%**	0%
Underlying PBT	14.8	**16.7**	3.1	**3.5**	13%
Margin (%)	9.6%	**8.7%**	9.6%	**8.7%**	(92bps)

1. RMB translated into AUD using the average rate of AUD/RMB 4.7275 for FY2015 and FY2014 to eliminate the exchange rate impact.
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.

Key performance metrics

	FY2014	FY2015	Change
Registered users	40,790,721	**54,514,538**	34%
Transactions	33,307,476	**56,823,020**	71%
Gross Transaction Value (RMB)	8,189,624,814	**13,598,533,720**	66%
Average Transaction Value (RMB)	246	**239**	(3%)
Net commission rate	2.0%	**1.5%**	(51bps)
Gross Transaction Value (AUD)	1,732,337,348	**2,876,474,610**	66%
Average Transaction Value (AUD)	52	**51**	(3%)

Note: RMB translated into AUD using the average rate of AUD/RMB 4.7275 for FY2015 and FY2014 to eliminate the exchange rate impact.
FY2014 and FY2015 metrics have not been audited or reviewed.

Revenue and gross margin

99 Wuxian achieved record total revenue of RMB 203.3 million (AUD 43.0 million) in FY2015, representing 25% total revenue growth compared to FY2014. The result is mainly contributed by overall growth in Gross Transaction Value ("GTV") driven by increase in registered users and enhancement in user engagement throughout the course of the year.

99 Wuxian's gross margin of 66.7% in FY2015 grew strongly over the prior period (FY2014: 51.8%). Its costs of sales predominantly consist of marketing costs and service fees. 99 Wuxian's high operating leverage drove the growth in gross margin in FY2015.

Gross Transaction Value

GTV on the platform grew by 66% to RMB 13.6 billion (AUD 2.9 billion) in FY2015. The growth in GTV was driven by an increase in registered users and improved level of user engagement. 99 Wuxian has consistently been able to grow GTV, with the FY2015 result a continuation of this trend. The high transaction values generated on the platform highlights the secure and trusted nature of the platform, the optimised product mix, the satisfying service, and the quality of the registered user base.

As the platform is continuously maturing, number of transactions is increasing all the time. 56,823,020 transactions were completed through our platform in FY2015, representing a 71% increase over the 33,307,476 transactions in FY2014. GTV growth was also driven by the continued adoption of 99 Wuxian's loyalty point and employee benefit redemption platform and highly successful marketing campaigns undertaken in conjunction with business partners.

Net commission rates

In FY2015, the overall net commission rate from sales completed through our platform declined by 51 basis points over the prior period to 1.5%. This was primarily due to 99 Wuxian offering promotional discounts in order to grow the size of the registered user base and enhance user engagement.

Despite the year on year decline, 99 Wuxian will be able to improve net commission rates in the future by reducing discounts and optimising product mix on the platform towards higher commission products, such as game recharge.

99 Wuxian is focused on narrowing the gap between gross commission rates before discounts and net commission rates after discounts, as the business continues to scale against the use of discounts to drive growth.

EBITDA

99 Wuxian reported earnings before interest, tax, depreciation and amortisation ("EBITDA") of RMB 21.5 million (AUD 4.5 million) in FY2015, up 83% on the prior period.

After adjusting for exceptional items, which predominantly represent foreign exchange gains and losses, 99 Wuxian reported underlying EBITDA of RMB 22.0 million (AUD 4.7 million), up 25% over the prior period.

NPAT

99 Wuxian reported net profit after tax ("NPAT") of RMB 10.2 million (AUD 2.2 million) in FY2015, up 46% on the prior period.

Cash flow and balance sheet

99 Wuxian continues to invest cash flow into the growth of the platform, specifically the expansion of its loyalty point redemption operations. The loyalty point redemption platform is working capital intensive, requiring 99 Wuxian to temporarily fund customer purchases, thus generating high quality credit receivables from leading Chinese banks. 99 Wuxian is focused on growing this business in a disciplined manner and is exploring tailored financing arrangements to support the growth of this business segment.

As at 31 December 2015, 99 Wuxian held cash and cash equivalents of RMB 40.9 million (AUD 8.6 million). This ensures that 99 Wuxian is well positioned for future growth.

Operating highlights

Registered users

99 Wuxian's registered user base grew strongly in FY2015, increasing by 34% (13.7 million new registered users) to 54.5 million registered users, compared to 40.8 million registered users at the end of FY2014.

Registered users are acquired when consumers conduct a transaction on our platform. 99 Wuxian is focused on increasing penetration rates among mobile applications users. Improving penetration rates among these users will enlarge our registered user base and represents a significant growth opportunity for 99 Wuxian.

Marketing initiatives

Throughout FY2015, 99 Wuxian launched different types of joint marketing campaigns with business partners from time to time and achieved great success in increasing user traffic, number of registered users and user engagement.

Business partners and merchants

99 Wuxian continues to attract high value business partners and expand its reach into different regions and industries in China. 99 Wuxian has established relationships with 71 business partners including China's leading banks, telecommunications, insurance companies, and companies in other industries as well, enlarging the pool of underlying consumers. During FY2015, 99 Wuxian added 11 new business partners to the platform. 99 Wuxian will continue to diversify its operations, develop new channels into the market and grow the number of business partners on the platform.

99 Wuxian places significant importance on maintaining its high business standards for product and service quality. Accordingly, 99 Wuxian maintains a select universe of 155 top-tier merchants who offer over 3,000 virtual and physical goods for purchase through 99 Wuxian's platform. 99 Wuxian has developed a set of merchant management mechanisms for continuous assurance of quality, and will continue to actively monitor and manage its merchant mix in response to evolving user demand.

Loyalty point redemption

99 Wuxian operates a comprehensive third party rewards redemption mobile platform that allows consumers to convert online and offline loyalty points into online transactions. This provides an engaging channel for consumers to redeem points while minimising costs for our business partners.

In 2015, 99 Wuxian significantly expanded its loyalty point redemption operations, signing agreements with leading Chinese insurance companies while also undertaking platform testing with a number of its existing cash payment business partners to board them onto the loyalty point redemption platform. These initiatives are expected to generate additional GTV and revenue for 99 Wuxian in 2016 and beyond.

99 Wuxian is focused on continuing to expand its loyalty point redemption platform across existing business partners and further penetrate the platform across new business partners. The rewards redemption market for banking and insurance companies in China is expected to grow to US$40 billion in value by 2017. Given its unique position as a comprehensive mobile platform that supports loyalty points redemption, 99 Wuxian is well positioned to capitalise on this considerable opportunity.

Employee benefit redemption

99 Wuxian began to operate employee benefit redemption platform in August 2015, devoted to providing business partners with a one-stop solution in employee benefit and loyalty management, by connecting employees to best-fit products and services providers with our advanced technology through the

integration of products, services and technological resources on cloud. The platform is expected to generate additional transaction volumes, GTV and revenue in the upcoming years, and become another profit growth point in the long term.

Product offering

In 2015 we continued to expand and optimise our product offering, introducing new products to the platform including petrol cards, healthcare products, e-coupons, etc. These new products generated strong levels of uptake following their launch and are expected to contribute to revenue growth in FY2016.

We have a long established culture for product innovation and will continue to develop new products and optimise our product mix to cater for the changing behavior, preference and demands of consumers. We have a strong medium term product pipeline and our product mix is shifting towards higher commission products. This focus will deliver new and more profitable revenue streams for 99 Wuxian moving forward.

Staff

99 Wuxian currently employs approximately 300 staff in China. With the continued growth and success of the business, we anticipate that this number will grow. We are deeply appreciative of the commitment and contribution of all staff, and continue to be inspired by the extraordinary results our people have achieved through their technical prowess and determination. As the business continues to evolve, we look forward to providing our staff with the opportunity to continue to maximise their contribution and development.

Outlook

99 Wuxian continues to deliver significant growth, with record results achieved in FY2015 across key financial and operating metrics. Looking forward, 99 Wuxian is focused on taking full advantage of its unique market position and driving growth in FY2016 by continuing to capitalise on the significant market opportunity and positive growth trends in Chinese m-commerce.

In the long term, 99 Wuxian will also focus on implementing and developing its big data and O2O strategies.

99 Wuxian expects to deliver strong growth in FY2016 and benefit from operating leverage as the business continues to scale.

Board of Directors & senior management team

The Board of 99 Wuxian have broad experience covering finance, internet, e-commerce, mobile communication, enterprise storage and payment systems. The Board is well positioned to implement 99 Wuxian's strategic objectives.

Board of Directors

Name	Position	Independence[1]
Mr Ross Benson	Chairman, Non-Executive Director	Non-independent
Ms Amalisia Zhang	Chief Executive Officer, Executive Director	Non-independent
Mr David Chen	Vice President, Executive Director	Non-independent
Mr YongKuan Duan	Non-Executive Director	Independent
Mr Simon Green	Non-Executive Director	Independent
Mr Tony Groth	Non-Executive Director	Independent

1. 99 Wuxian considers that a Director is an independent director where that Director is free from any business or other relationship that could materially interfere, or be perceived to interfere with, the independent exercise of the Director's judgement. 99 Wuxian has also assessed the independence of its Directors regarding the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles.

Details of Board of Directors

Details of each of the Directors at the date of this report are set out below:

Mr Ross Benson - Chairman, Non-Executive Director

Mr Benson founded Investorlink Group Limited in 1986 and has over 29 years of experience in the Australian financial services industry, with extensive knowledge in securities, deal structuring and business strategy. Mr Benson has led negotiations for divestment and acquisition strategies for medium to large enterprises and has a depth of experience in prospectus and offer document preparation. Subsequent to the formation of Investorlink Group Limited, he has established associated business units in wealth management, private equity, property syndication and structured financial products. Over the past 9 years he has spent significant time in China originating inbound and outbound investment activities.

Ms Amalisia Zhang - Chief Executive Officer, Executive Director

Ms Zhang founded 99 Wuxian in 2011 and currently serves as its Chief Executive Officer. She is a pioneer of internet and e-commerce, with extensive experience in Chinese e-commerce and mobile payments. Prior to founding 99 Wuxian, she was President of Handpay, China's largest third party mobile payment gateway service provider. She has also previously worked for Hong Kong telecommunications company PCCW and as part of the core management team of Ctrip and as General Manager of Ctrip Hong Kong.
She graduated from Bath University in the United Kingdom with a Masters of Business Administration.

Mr David Chen - Vice President, Executive Director

Mr Chen is Vice President of 99 Wuxian and is responsible for the m-commerce business development. He graduated from Guangzhou University with a Bachelor of Foreign Trade. Prior to 99 Wuxian, he worked in advertising and marketing, and held positions with CETV, Leo Burnett and Dentsu Y&R. Mr Chen has more than 20 years advertising and marketing experience in management positions. He provides extensive knowledge of sales & marketing and developing good relationships with Chinese banks.

Mr YongKuan Duan - Independent[1] Non-Executive Director

Mr Duan has extensive banking experience in China, and was employed in senior positions by the Bank of China from 1984 to 2009. During his employment he served as President of Shenzhen Branch, Zhejiang Province Branch, and Anhui Province Branch. Prior to those positions he was Deputy Managing Director of Nanyang Commercial Bank (Bank of China Hong Kong), a Director of International Settlement Department in Hefei (Anhui Province Branch) and served in the General Office of the People's Government of Anhui Province.
Mr Duan is also an independent director of Sinosteel Corporation and FAW Group.

Mr Simon Green - Independent[1] Non-Executive Director

Mr Green is currently Chief Operating Officer of Interactive, the largest privately held IT company in Australia. He was most recently Senior Vice President and General Manager for Asia Pacific at NetApp. He was responsible for leading the business through setting strategy, managing the P&L, growing sales, including driving channel strategy, managing strategic partnerships, and developing the company's emerging products business.

Mr Tony Groth - Independent[1] Non-Executive Director

A Fellow of the Institute of Chartered Accountants in Australia with over 31 years' experience in the financial services industry, Mr Groth spent 17 years as a business services partner of Grant Thornton, an Australian national firm of Chartered Accountants. Since joining Investorlink Corporate Limited in 2007 he has further developed his expertise in a variety of corporate advisory and structured finance projects. Mr Groth resigned from Investorlink in June 2015 but will remain as Director of 99 Wuxian.

Senior management

Mr Ayngaran Kailainathan - Chief Financial Officer

Mr Kailainathan is an accomplished finance professional with 16 years of experience across corporate advisory, financing and consulting. Prior to 99 Wuxian, he worked in corporate advisory, holding positions with Investorlink Group Limited and Bank of America Merrill Lynch. Previous experience also include structured financing at the Commonwealth Bank of Australia and in actuarial consulting and data analytics at Trowbridge Deloitte. He graduated from the University of Sydney with a Bachelor of Commerce (with majors in Finance and Economics) and a Bachelor of Engineering with First Class Honours. Mr Kailainathan resigned from 99 Wuxian in January 2016, and Mr Henry Chen has been appointed Chief Financial Officer following Mr Kailainathan's resignation.

Mr Henry Chen - Chief Financial Officer

Mr Chen has replaced Mr Kailainathan as Chief Financial Officer since January 2016. Mr Chen has significant experience in finance and accounting over 15 years. Prior to 99 Wuxian, he held finance, accounting and auditing related positions with various companies such as Vtion Wireless Technology AG, Vesta China and Arthur Andersen. Mr Chen holds a Master Degree of Commerce (Finance Major) from University of Sydney. Mr Chen is a CPA and a member of both CICPA (The Chinese Institute of Certified Public Accountants) and ACCA (The Association of Chartered Certified Accountants).

Dr Tao Wen - Chief Technology Officer

Dr Wen has significant experience in the science and technology sectors. Prior to joining 99 Wuxian, he worked as a Senior IT specialist of IBM Global Business Services and held the position of Director of Technology Department at Smartpay. He holds a PhD in Science from Fudan University.

Company secretary

Mr Nathan Bartrop - Joint Company Secretary

Mr Bartrop was a Senior Listings Compliance Adviser at Australian Securities Exchange for over 3 years. He has extensive experience in ASX listed companies compliance, is an associate member of the Governance Institute of Australia and is also Company Secretary of Investorlink Group Limited. Mr Bartrop resigned from 99 Wuxian in January 2016, and HWB (Corporate Services) Limited remains as Company secretary of 99 Wuxian.

Corporate governance

Board of Directors

99 Wuxian's Memorandum and Articles of Association and the Hong Kong Companies Ordinance provide that the minimum number of Directors is two and that this minimum may only be changed by majority vote of the Shareholders. The Company currently has six Directors serving on the Board.

The Board is responsible for the overall corporate governance of the Company. Issues of substance affecting the Company are considered by the full Board, with advice from external advisors as required. Each Director must bring an independent view and judgment to the Board and must declare all conflicts of interest including confirmation of Director's interests in securities and declaration of any trading activities. Any issue concerning a Director must be brought to the attention of the Board as soon as practicable, and Directors may not participate in discussions or resolutions pertaining to any matter in which the Director has a material personal interest.

The Board's role in risk oversight includes receiving review of reports from senior management and the Audit and Risk Management Committee on a regular basis regarding material risks faced by the Company and applicable mitigation strategies and activities. The reports detail the effectiveness of the risk management program and identify and address material business risks such as technological, strategic, business, operational, financial, human resources and legal/ regulatory risks.

The Board and its committees consider these reports, discuss matters with management and identify and evaluate any potential strategic or operational risks, and appropriate activity to address those risks.

The responsibilities of the Board are set down in the Company's Board Charter.

The Company's governance framework has been prepared with regard to the ASX Corporate Governance Councils published guidelines as well as its stated principles and recommendations, contained in the ASX Corporate Governance Principles and Recommendations 3rd Edition.

Board committees

The Board has established two standing committees to facilitate and assist the Board in fulfilling its responsibilities as set out below.

The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Each of these committees has the responsibilities described in the committee charters (which have been prepared having regard to the ASX Corporate Governance Principles) adopted by the Company.

Committee	Overview	Members
Audit and Risk Management Committee	Oversees the Company's corporate accounting and financial reporting, including auditing of the Company's financial statements, reviewing the performance of the Company's internal audit function and the qualifications, independence, performance and terms of engagement of the Company's external auditor.	Tony Groth (Chairman) Ross Benson YongKuan Duan
Remuneration and Nomination Committee	Remuneration and Nomination Committee: Establishes, amends, reviews and approves the compensation and benefit plans with respect to senior management and employees of 99 Wuxian including determining individual elements of total compensation of the Chief Executive Officer and other members of senior management. The Remuneration and Nomination Committee is responsible for forming a view and making a recommendation to the Board on the most appropriate ate compensation for key employees. For instance, the Remuneration and Nomination Committee may determine that non-monetary compensation, such as employee options or employee shares, is appropriate compensation as a way of: • recognising ongoing contributions by key employees to the achievement by 99 Wuxian of long term strategic goals; • aligning the interests of participants with other holders of shares in 99 Wuxian through the sharing of a personal interest in the future growth and development of 99 Wuxian; and • providing a means of attracting and retaining skilled and experienced employees. The Remuneration and Nomination Committee is also responsible for reviewing the performance of 99wuxian's executive officers with respect to these elements of compensation. **Nomination:** The Remuneration and Nomination Committee recommends the Director nominees for each annual general meeting and ensures that the audit and risk management and remuneration and nomination committees of the Board have the benefit of qualified and experienced independent directors.	Simon Green (Chairman) YongKuan Duan Ross Benson

Corporate governance policies

The Company has also adopted the following policies, each of which has been prepared having regard to the ASX Corporate Governance Principles and are incorporated by reference into this Annual Report.

A copy of each of the below policies are available on the Company's website at www.99wuxian.com.

Code of conduct

This policy sets out the standards of ethical behaviour that the Company expects from its directors, officers and employees.

Continuous disclosure policy

The Company is subject to the continuous disclosure requirements of the Listing Rules and the Corporations Act. This ensures the Company discloses to ASX any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Shares. As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

Risk management policy

This policy is designed to assist the Company in identifying, assessing, monitoring and managing risks affecting the Company's business.

Securities trading policy

This policy is designed to maintain investor confidence in the integrity of the Company's internal controls and procedures and to provide guidance on avoiding any breach of the insider trading laws in Australia.

Shareholder communications policy

This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.

Diversity policy

This policy sets out practices which the Company will implement to establish measurable objectives for achieving gender diversity.

ASX corporate governance principles

The Board has adopted the 3rd edition of the ASX Corporate Governance Principles and Recommendations and has evaluated 99 Wuxian's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations.

The Board considers that the Company generally complies with the ASX Corporate Governance Principles and, where the Company does not comply, this is primarily due to the current relative size of the Company and scale of its current operations. Comments on compliance and departures are set out in the following Corporate Governance Statement as at 26 April 2016 which has been approved by the Board of 99 Wuxian.

	Principles/recommendation	Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 1 – Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: • the respective roles and responsibilities of its board and management; and • those matters expressly reserved to the board and those delegated to management.	Complies	The Board's responsibilities are contained in the Company's Board Charter. The functions of the Board and Chairman are specifically set out in the Board Charter. The functions of other senior executives including Chief Financial Officer and Financial Director are contained in the letter of appointments describing their term of office, duties, rights and responsibilities and entitlements on Termination.
1.2	A listed entity should: • undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and • provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Complies	The Board's responsibilities in relation to director appointments are contained in the Company's Board Charter. The Company's Board Charter is contained in the Corporate Governance Plan. Appropriate checks including bankruptcy checks and police checks are part of the listing process and whenever a new director is appointed or putting forward to security holders as a candidate for election as a director. All material information in relation to whether to elect or re-elect a Director is contained in the Company's notice of annual general meeting and explanatory statement.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies	The terms and conditions of the appointment of each Director are contained in the letter of appointments and the responsibilities of the Directors are set out in the Board Charter which is available as Annexure 1 of the Corporate Governance Plan at: http://www.99wuxian.com/userfiles/Corporate_Governance_Plan_22_July_2013.pdf

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies	The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with proper functioning of the Board.

1.5	A listed entity should:
	• have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;
	• disclose that policy or a summary of it; and
	• disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:
	  • the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or
	  • if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.
		Partly Complies	The Board has established a diversity policy which is contained in the Corporate Governance Plan.
			
			As the Company is still at an early stage of development, it has not yet established measurable objectives for gender diversity.
			
			Even if the Company has not yet set up quantitative objectives to be achieved, the Company reviews the gender diversity situation regularly by taking China's employment practice and industry benchmarks into account, and ensures a diverse and skilled workforce and awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.
			
			As at the end of FY2015, female employees accounted for 51% of the total workforce, for 38% of senior executive positions including president positions and company director positions, and 1 female served on the Board with totally 6 members, demonstrating the Company's commitment to diversity.

Principles/recommendation	Does 99 Wuxian comply?	Particulars of compliance and if not why not
1.6 A listed entity should: • have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and • disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complies	The Chairman initiates the process of Board, committee and Director performance appraisal. The Board is responsible for the evaluation of its performance and the performance of individual Directors. This internal review is to be conducted on an annual basis and if deemed necessary this internal review will be facilitated by an independent third party. The Chairman holds discussion with individual Directors when evaluating their performance. This performance evaluation took place in FY2015. The Board takes this evaluation into consideration when recommending Directors for election.
1.7 A listed entity should: • have and disclose a process for periodically evaluating the performance of its senior executives; and • disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Complies	The Board is responsible for the evaluation of its performance and the performance of individual Directors and other senior executives. This internal review is conducted on a half yearly basis and if deemed necessary this internal review is facilitated by an independent third party. In accordance with the process disclosed above, the Company conducted half year performance reviews for its senior executives during the year.

Principles/recommendation	Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 2 - Structure the board to add value		

2.1 The board of a listed entity should:
• have a nomination committee which:
  • has at least three members, a majority of whom are independent directors; and
  • is chaired by an independent director,
  • and disclose:
  • the charter of the committee;
  • the members of the committee; and
  • as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
• if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
	Complies	The Board has established a Nomination and Remuneration Committee.
		
		The function of the Nomination and Remuneration Committee is contained in the Nomination and Remuneration Committee Charter which is contained in the Corporate Governance Plan.
		
		The Nomination and Remuneration Committee is chaired by Mr Simon Green, an independent Director and consists of two non-executive Directors. Of these members are independent non-executive Directors, namely, Mr Yong Kuan Duan and Mr Ross Benson.
		
		The Committee meeting was conducted on 10 March 2015 with all committee members in attendance.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Does not comply	The Company has not formalized the skills matrix of the Board at this stage. However, the Company is confident with the current membership of the Board and their skill sets to assume the role of the directors. The Remuneration and Nomination Committee will ensure the item of board skills matrix on their agenda of next meeting and the Company is looking to achieve the required skill sets in its directorship. The Board will initiate the maintenance of the board skills matrix in FY2016.
2.3	A listed entity should disclose: • the names of the directors considered by the board to be independent directors; • if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and • the length of service of each director.	Complies	Currently the Board consists of six members, of which three are independent non-executive Directors, namely, Mr YongKuan Duan, Mr Simon Green and Mr Tony Groth. The appointment and rotation of Directors is governed by the Constitution of the Company and the terms and conditions of the each director are contained in the letter of appointment. The nomination and remuneration committee is responsible in monitoring the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of Directors.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
2.4	A majority of the board of a listed entity should be independent directors.	Does not comply	Of the six Directors, four are non-executive Directors and three of all non-executive Directors are independent being Mr Duan, Mr Green and Mr Groth. As such half of the Board is independent. The Board considers that 99 Wuxian is not currently of a size nor are its affairs of such complexity to justify the expense of the appointment of a majority of independent non-executive Directors. The Board will continue to review the structure and regularly assess if any director's independence status changes during 99 Wuxian's development.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Does not comply	The Chairman, Mr Ross Benson, is a non-executive Director but is not considered independent under ASX guideline. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the expense of appointing an Independent non-executive Chairman.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Complies	The nomination and remuneration committee is responsible to design induction and ongoing training and education programs for the Board to ensure that directors are provided with adequate information regarding the operations of the business, the industry and their legal responsibilities and duties.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 3 – Act ethically and responsibly			
3.1	A listed entity should: • have a code of conduct for its directors, senior executives and employees; and • disclose that code or a summary of it.	Complies	The Board has established a Code of Conduct which outlines the standards of behavior of staff members of 99 Wuxian including Directors, senior executives and employees and contractors must meet. The Code of Conduct provides that the Directors will act with honesty and integrity, will avoid conflicts of interest, protect confidential and proprietary information and treat others equitably and with professionalism, courtesy and respect. The Code of Conduct is available at: http://www.99wuxian.com/userfiles/Corporate_Governance_Plan_22_July_2013.pdf

Principles/recommendation	Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 4 – Safeguard integrity in corporate reporting		
4.1 The board of a listed entity should: • have an audit committee which: • has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; • is chaired by an independent director, who is not the chair of the board, and disclose: • the charter of the committee; • the relevant qualifications and experience of the members of the committee; and • in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. • if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Complies	The Board has established an Audit and Risk Management Committee The function of the Audit and Risk Management Committee is contained in the Audit and Risk Management Committee Charter which assists with ensuing the integrity and reliability of information prepared for use by the Board and the integrity of the Company's internal controls affecting the preparation and provision of that information in determining polices or for inclusion in the financial report. The Company's Audit and Risk Management Committee Charter is contained in the Corporate Governance Plan which is available at : http://www.99wuxian.com/userfiles/Corporate_Governance_Plan_22_July_2013.pdf The Audit and Risk Management Committee is chaired by Mr Tony Groth, an independent non-executive Director who is not the Chairman of the Board. The Audit and Risk Management Committee consists of three members. Of these members, all are non-executive Directors and majority are independent Directors, being Mr Duan and Mr Groth. In 2015, the Audit and Risk Management Committee held meetings on 17 March 2015 and 20 August 2015 with all Committee members in attendance except Mr Duan.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Complies	The Board requires the Chief Executive Officer and Chief Financial Officer to provide such as statement on at least an annual basis. The Board confirms that it has received these statements from the Chief Executive Officer and Chief Financial Officer.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Does not comply	The external auditor is based in Hong Kong and they did not attend the latest annual general meeting held in 2015, Sydney. However they are prepared to answer any questions from the shareholders prior to the commencement of the annual general meeting. The Chief Financial Officer was in attendance in the meeting to answer any questions relating to the financial position of the Company from the shareholders. The Company will invite the external auditor to attend its next annual general meeting and any future annual general meeting to answer questions from security holders relevant to the audit.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 5 – Make timely and balanced disclosure			
5.1	A listed entity should: • have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and • disclose that policy or a summary of it.	Complies	The Company has established a Continuous Disclosure Policy and the Board recognises its duty to ensure that its shareholders and the market are informed of all major developments affecting the Company's state of affairs. The policy is available at : http://www.99wuxian.com/userfiles/Corporate_Governance_Plan_22_July_2013.pdf
Principle 6 – respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Complies	The Board recognises its duty to ensure that its shareholders and the market are informed of all major developments affecting the Company's state of affairs. The Company has established on its website where shareholders can find information such as financial statements and major development of the Company as well as all relevant corporate governance material. The relevant page shareholders can access those information is at: http://www.99wuxian.com/English/Investors/Default.aspx
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Complies	Shareholders are encouraged to fully participate at the Annual General Meeting or other General Meeting of the Company to ensure effective two way communication. Shareholders are also able to direct any questions relating to Company's securities to the share registry, Computershare Investor Services Pty Limited.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Complies	The communication strategy is contained in the Continuous Disclosure Policy and Communication Strategy and is designed to ensure that shareholders are informed of all relevant developments. Details of the information can be found on the Company's website under the corporate governance landing page: http://www.99wuxian.com/English/Investors/Default.aspx
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies	All shareholders have the right to access details of their holdings, provide email address contacts and make certain elections via the Company's share registry, Computershare Investor Services Pty Limited by accessing the web site www.computershare.com.au. Shareholders have the right of option of receiving all or a selection of communication electronically.

	Principles/recommendation	Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 7 – Recognise and manage risk			

7.1	The board of a listed entity should:
	• have a committee or committees to oversee risk, each of which:
	  • has at least three members, a majority of whom are independent directors; and
	  • is chaired by an independent director,
	  • and disclose:
	  • the charter of the committee;
	  • the members of the committee; and
	  • as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.
	• if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.
		Complies	The Board has established an Audit and risk Management Committee.
			
			The function of the Audit and Risk Management Committee is contained in the Audit and Risk Management Committee Charter which is available at: http://www.99wuxian.com/userfiles/Corporate_Governance_Plan_22_July_2013.pdf
			
			The Audit and Risk Management Committee is chaired by Mr Tony Groth, an independent Director who is not Chairman of the Board.
			
			The Audit and Risk Management Committee consist of three members, namely Mr Tony Groth, Mr Ross Benson and Mr YongKuan Duan. Of these members, majority are independent non-executive Director.
			
			In 2015, the Audit and Risk Management Committee held meetings on 17 March 2015 and 20 August 2015 with all Committee members in attendance except Mr Duan.

7.2	The board or a committee of the board should: • review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and • disclose, in relation to each reporting period, whether such a review has taken place.	Complies	The Audit and Risk Management Committee has reviewed the risk management programme which was developed by senior management and was approved by the Board. The Board receives regular reports from management on progress in addressing and managing risks. The Audit and Risk Management Committee will continue the process to review the risk management framework at least annually and will disclose such review accordingly.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
7.3	A listed entity should disclose: • if it has an internal audit function, how the function is structured and what role it performs; or • if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes	Complies	The Audit and Risk Management Committee determines and approve internal audit scope and provides recommendation to the Board as to the role of the internal auditor/internal audit functions. The internal control systems and procedures are reviewed by the internal auditor. The internal audit function is independent of external audit.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies	The Company does not have any material exposure to economic, environmental and social sustainability risk. The material risks, if any, will be disclosed at the Directors' Report of the Annual Report. The Directors' Report discloses the potential risks the Company is exposed to, which are considered to be immaterial.

Principles/recommendation		Does 99 Wuxian comply?	Particulars of compliance and if not why not
Principle 8 – Remunerate fairly and responsibly			

8.1	The board of a listed entity should:
	• have a remuneration committee which:
	  • has at least three members, a majority of whom are independent directors; and
	  • is chaired by an independent director,
	  • and disclose:
	  • the charter of the committee;
	  • the members of the committee; and
	  • as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.
	• if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.
		Complies	The Board has established a Nomination and Remuneration Committee.
			
			The function of the Nomination and Remuneration Committee is contained in the Nomination and Remuneration Committee Charter contained in the Corporate Governance Plan which can be available at: http://www.99wuxian.com/userfiles/Corporate_Governance_Plan_22_July_2013.pdf
			
			The Nomination and Remuneration Committee consists of three members. Of these members, all are non-executive Directors, namely, Mr Simon Green, Mr YongKuan Duan and Mr Ross Benson and majority are independent Directors.
			
			The Nomination and Remuneration Committee is chaired by an independent non-executive Director. Mr Green, who is not the chairman of the Board.
			
			The Committee meeting was conducted on 10 March 2015 with all Committee members in attendance.

8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Complies	Under the Nomination and Remuneration Committee Charter, the Nomination and Remuneration Committee will separately consider and review the remuneration packages of non-executive Directors, Executive Directors and senior executives to make sure that the structure of remuneration for non-executive Directors is clearly distinguished from that of executive Directors and senior executives.

Principles/recommendation	Does 99 Wuxian comply?	Particulars of compliance and if not why not
8.3 A listed entity which has an equity-based remuneration scheme should: • have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and • disclose that policy or a summary of it.	Not applicable	The Company has not yet established an equity-based remuneration scheme and therefore currently doesn't have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme. However, the nomination and remuneration committee is responsible in monitoring board members and senior executives to ensure no transactions in associated products are entered into which limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme if any.

Directors' Report

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 December 2015.

Principal activity

The Company is an investment holding company. The principal activities and other particulars of the Company's subsidiaries are set out in note 28 to the financial statements.

Financial statements and appropriations

The financial performance of the Group for the year ended 31 December 2015 and the financial position of the Group as at that date are set out in the financial statements on pages 37 to 71.

The directors do not recommend the payment of any dividend in respect of the year ended 31 December 2015.

Share capital

Details of the movements during the year are set out in note 23 to the financial statements.

Directors

The directors of the Company during the year and up to the date of this report were:-

Mr. Ross Benson
Ms. Amalisia Zhang
Mr. David Chen
Mr. YongKuan Duan
Mr. Simon Green
Mr. Tony Groth

In accordance with article 105 of the Company's articles of association, the directors retire and, being eligible, offer themselves for re-election.

The directors of the Company's subsidiaries included in the consolidated financial statements during the year and up to the date of this report were as follows:

Mr. David Chen
Mr. Wen Tao
Ms. Qian Jing Wen
Mr. Ni Yun Hua

Material interests in transactions, arrangements or contracts

Mr. Benson is a director of Investorlink Corporate Limited. He has interests in a contract for the provision of professional services of RMB 1,454,182 to the Group during the year.

Except as disclosed above and in note 29, no contracts of significance to which the Company's subsidiary or fellow subsidiary was a party and in which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

Permitted indemnity provisions

During the financial year and as at the date of this report, a qualifying indemnity provision made by the Company for the benefit of the directors of the Company is in force.

Business review

Business overview and key operating and financial metrics

The Group positions itself as the leading business to business to consumer Chinese mobile commerce company, providing comprehensive incentive solutions for business partners by connecting their customers and employees with high quality merchants for transactions.

With the advanced cloud based technology and a solid experience gained from years of operation with the mobile Internet, the Group provides business partners with mobile commerce, value-added applications, user and employee incentive solutions, data mining, precision marketing and other mobile Internet services via its proprietary platforms.

The Group focuses on implementing its strategy of expanding its platform across business partners and merchants, increasing its registered users and user engagement, and entering into new channels. For the year ended 31 December 2015, it added 11 new business partners, enriched product mix including petrol cards, healthcare products, virtual vouchers, etc., and grew its user base to 54.5 million registered users as at 31 December 2015, up from 40.8 million registered users as at 31 December 2014.

The efforts have taken net revenue up from RMB154.2 million for the year ended 31 December 2014 to RMB192.3 million for the year ended 31 December 2015, earnings before interest, taxes, depreciation and amortisation up from RMB11.8 million for the year ended 31 December 2014 to RMB21.5 million for the year ended 31 December 2015, and net profit after tax up from RMB7.0 million for the year ended 31 December 2014 to RMB10.2 million for the year ended 31 December 2015.

In the long term, the Group will focus on executing a compelling growth strategy including growing the existing business with current business partners by driving user engagement, increasing penetration rate and growing loyalty point redemption platform; growing the existing business with new business partners across banks, insurers and companies in other industries; expanding business by distribution channel expansion, new product offering and merchant mix optimisation; bridging online and offline by deploying online-to-offline capabilities with cloud-POS partner; and knowing the customer through big data analysis and data mining. The Group will continue to take full advantage of the favourable market trend and great market opportunities and achieve sustainable competitiveness by "gateway + service + transaction".

Environmental policies and compliance

The Group operates in China where substantially all the revenue is sourced from. Thus our performance is impacted by the economic, political and legal development in China.

China's economy is still expected to grow in the upcoming years at a growth rate higher than those developed economies, and mobile commerce industry is expected to develop prosperously and sustain in the long term. Simultaneously, the market is under rigorous regulation of the Chinese government who plays a significant role in market supervision and economic regulation. Generally, the government imposes various policies over China's economic growth by both monetary policies including reserve requirement ratio policy, rediscount rate policy, open market operation, etc., and fiscal policies including tax policy, government expenditure, resource allocation, etc.

Specifically, regarding mobile commerce industry, the government has imposed Provisional Measures on Online Merchandise Transactions and Relevant Services, Standards of Third Party Electronic Commerce Platform Services, Regulations on Information System Security Protection, etc., based on laws covering Contract Law, Consumer Protection Law, Product Quality Law, Trademark Law, etc. The Group has complied with all the laws and regulations so far.

Laws, rules and regulations on mobile commerce industry are relatively new, so the interpretation and enforcement of them involve uncertainties. To ensure compliance with laws, rules and regulations, the Group has set up specific functions to handle relevant issues, including internal control and compliance department, public affairs department, etc. These efforts can provide assurance that the Group is operated in a legal way, and profit is made without dispute.

Risk factors

Risk identification is critical, ignorance of which could adversely impact the business.
External risk factors include:

Risks in laws and regulations:
Mobile commerce is strictly monitored and supervised by Chinese government. The government could probably continue to issue new laws and regulations and require the market players to react in a timely manner. The Group has to constantly follow up with any change in laws and regulations and take action immediately to avoid any non-compliance which could probably result in punishment from the government that could hurt the Group's reputation and earnings.

Risks in macro economy:
Chinese economy differs from those developed economies in many aspects, including the extent of government involvement, level of development, growth rate, control of foreign currency, and allocation of resources. Chinese government continues to play a significant role in economic regulation including allocation of resources, setting monetary and fiscal policies, and providing preferential treatment to particular industries or companies, all of which could probably affect us. Besides, China's economic growth rate has been uneven, both geographically and among various sectors of the economy, which could probably affect our regional strategic deployment.

Internal risk factors include:

Risks in strategic business development:
The Group focuses on long term sustainable interests of our unique ecosystem which requires capital expenditure in various initiatives like new platform development, prepayment for loyalty point redemption business, marketing campaigns, etc. It takes some time for new initiatives to generate considerable profits, which cannot be immediately reflected in short term financial results.

Risks in knowing the consumers:
Consumer behaviour evolves rapidly, and failure to well understand the evolving trend could make the Group's competitive advantage suffer. The precondition of increasing user base and user engagement is to provide what consumers exactly need, where the Group has to make continuous efforts in.

Risks in information technology:
As more traffic is generated on our platform, failure to maintain our technology infrastructure like system upgrade and hardware addition could probably lead to system disruptions, slower responses and delays in deal information generation which could hurt user experience. Besides, failure to maintain the Group's information system, network, database and access authority could hurt the healthy operation of the Group.

To better manage the risks, the Group has established a business risk alert system, and set up the quality and risk control department. The Chief Technology Officer leads the business risk alert task force, which is composed of people from quality and risk control department, business lines, and supportive functions. On a quarterly basis, the task force forecasts and assesses the impact of the Group's important business projects, significant changes of internal operations, and development of relevant laws and regulations, based on which the task force raises various risk scenarios and relevant emergency-response plans and procedures.

Particulars of important events affecting the Group or the Company that have occurred since the end of the financial year

Details of important events affecting the Group or the Company that have occurred since the end of the financial year are set out in note 34 to the financial statements. On 4 February 2016, the Company had completed a placement to public investors via the issue of 89,658,618 fully paid CHESS Depositary Interests to raise a total appropriately RMB42 million (A$9.02 million), except which there are no material subsequent events undertaken by the Company or the Group after 31 December 2015.

Employee relations management

The Group maintains good working relationship with its employees. The Group provides its employees with various benefits including public housing fund, different types of social insurance, allowance, bonus, festival gifts, health check arrangement, etc. Moreover, the Group helps employees with their career development by organising professional trainings, providing career advisory services and promotion chances based on performance evaluation. Furthermore, the Group is constantly improving the effectiveness of the promotion channel and constructing employees' competitiveness model to make the process more transparent and reasonable.

Business partner relations management

The Group is devoted to providing comprehensive solutions to business partners and making continuous efforts in improving satisfaction of business partners and their users. The Group has a service team who assists business partners in connecting to our platform, provides necessary trainings, offers operation services, and solves technical problems.

Customer relations management

The Group focuses on customer relations management to enhance user engagement. The Group has a 7*24 hotline and diversified online service platforms including Wechat platform to handle customers' inquiries and problems, and a customer relations management system to ensure prompt reaction to customer complaints. All these efforts provide assurance of timely response to customer needs and excellent user experience.

Merchant relations management

The Group has established a merchant admittance mechanism which obligates rigorous review of potential merchants' qualifications, background and rankings in the industry, to control the product and service quality and ensure excellent user experience. Besides, the Group reviews and evaluates the merchants on their products and services on a regular basis. For those merchants who failed in the evaluation process, the Group will temporarily take their products off our platform and send notifications to them requiring immediate rectification. After rectification those merchants will be re-evaluated by the Group, and if they still cannot satisfy our requirement, the Group has to terminate the cooperation with them. On the other hand, the Group also provides merchant incentives including price incentives, order incentives, reputation and goodwill incentives for better relations management.

Auditor

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

On behalf of the Board

Mr. Ross Benson
Chairman

Hong Kong
30 March 2016

Independent auditor's report

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 99 WUXIAN LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of 99 Wuxian Limited (the "Company") and its subsidiaries (hereinafter referred to as the "Group") set out on pages 10 to 60, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF 99 WUXIAN LIMITED
(incorporated in Hong Kong with limited liability)

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BDO Limited

BDO Limited
Certified Public Accountants
Wong Kwok Wai
Practising Certificate no.: P06047

Hong Kong, 30 March 2016

Financial statements

Consolidated statement of comprehensive income for the year ended 31 december 2015

	Notes	2015 RMB	2014 RMB
Revenue	7	**192,334,487**	154,225,315
Cost of sales		**(64,129,905)**	(74,394,348)
Gross profit		**128,204,582**	79,830,967
Other revenue	8	**1,602,704**	271,675
Other gains and losses, net	9	**(533,541)**	(5,897,719)
Selling and distribution expenses		**(27,121,526)**	(11,165,337)
Administration expenses		**(85,952,076)**	(54,102,009)
Profit before income tax	10	**16,200,143**	**8,937,577**
Income tax expense	12	**(5,999,956)**	(1,955,009)
Profit for the year		**10,200,187**	**6,982,568**
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**10,200,187**	**6,982,568**
Earnings per share (RMB)	13		
Basic and diluted		**0.0095**	**0.0067**

Consolidated statement of financial position as at 31 December 2015

	Notes	2015 RMB	2013 RMB
Non-current assets			
Property, plant and equipment	15	**9,973,468**	3,716,495
Intangible assets	16	**53,156,773**	52,928,520
Goodwill	17	**3,440,400**	3,440,400
Deposit paid	19	**160,000,000**	-
Deferred tax assets	20	**17,825,095**	-
Total non-current assets		**244,395,736**	60,085,415
Current assets			
Inventories	18	**17,369,679**	17,231,860
Trade and other receivables	19	**194,299,772**	159,978,103
Cash and cash equivalents		**40,910,686**	67,779,281
Total current assets		**252,580,137**	244,989,244
Non-current liabilities			
Deferred tax liabilities	20	**8,408,143**	8,714,823
Total non-current liabilities		**8,408,143**	8,714,823
Current liabilities			
Trade and other payables	21	**52,811,804**	11,497,859
Amount due to a shareholder	22	**140,000,000**	-
Tax payables		**3,875,704**	3,181,942
Total current liabilities		**196,687,508**	14,679,801
Net current assets		**55,892,629**	**230,309,443**
Net assets		**291,880,222**	**281,680,035**
Capital and reserves			
Share capital	23	**272,015,374**	272,015,374
Reserves		**19,864,848**	9,664,661
Total capital and reserves		**291,880,222**	**281,680,035**

On behalf of the Board

Mr. Ross Benson
Director

Ms. Amalisia Zhang
Director

Consolidated statement of changes in equity for the year ended 31 December 2015

	Share capital RMB (note 24)	Share premium RMB	Retained earnings RMB	Total RMB
Balance at 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 23(a))	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**
Balance at 31 December 2014 and 1 January 2015	**272,015,374**	**-**	**9,664,661**	**281,680,035**
Profit for the year	-	-	10,200,187	**10,200,187**
Other comprehensive income	-	-	-	**-**
Total comprehensive income for the year	-	-	10,200,187	**10,200,187**
Balance at 31 December 2015	**272,015,374**	**-**	**19,864,848**	**291,880,222**

Consolidated statement of cash flows for the year ended 31 December 2014

	2015 RMB	2014 RMB
Cash flows from operating activities		
Profit before income tax	**16,200,143**	8,937,577
Adjustments for:		
Interest income	**(45,204)**	(266,719)
Depreciation of property, plant and equipment	**3,192,793**	1,214,629
Amortisation of intangible assets	**2,154,068**	1,887,466
Loss on disposal of property, plant and equipment	**277,306**	-
Exchange losses, net	**533,541**	5,897,719
Operating profit before changes in working capital	**22,312,647**	17,670,672
Increase in inventories	**(137,819)**	(17,231,860)
Increase in trade and other receivables	**(56,013,762)**	(124,115,915)
Increase in trade and other payables	**41,313,945**	8,329,535
Cash generated from/(used in) operations	**7,475,011**	(115,347,568)
Interest income	**45,204**	266,719
Income taxes paid	**(2,704,863)**	-
Net cash generated from/(used in) operating activities	**4,815,352**	(115,080,849)
Cash flows from investing activities		
Purchases of property, plant and equipment	**(8,768,085)**	(3,780,253)
Additions of intangible assets	**(2,382,321)**	(111,752)
Deposit paid for acquisition of equity interests of an entity	**(160,000,000)**	-
Repayment from a director	**-**	125,634
Net cash used in investing activities	**(171,150,406)**	(3,766,371)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	**-**	143,882,165
Share issue expenses	**-**	(11,078,952)
Advance from a shareholder	**140,000,000**	-
Net cash generated from financing activities	**140,000,000**	132,803,213
Net (decrease)/increase in cash and cash equivalents	**(26,335,054)**	13,955,993
Cash and cash equivalents at the beginning of year	**67,779,281**	59,721,007
Effect of exchange rate changes on cash and cash equivalents	**(533,541)**	(5,897,719)
Cash and cash equivalents at the end of year	**40,910,686**	67,779,281

Notes to the financial statements

CONTENTS

to the notes to the financial statements

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 3F, Hong Kong Prosperity Tower, Meng Zi Rd, Huangpu District, Shanghai, 200023. 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 28 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 2015

HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions

The adoption of these amendments has no material impact on the Group's financial statements.

(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 2012-2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[1]
HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]

1 Effective for annual periods beginning on or after 1 January 2016

2 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.

Amendments to HKAS 27 - Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

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 fair value through other comprehensive income ("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 fair value through profit or loss ("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.

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.

The Group has already commenced an assessment of the impact of adopting the above new HKFRSs and amendments to existing HKFRSs to the Group. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

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

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Group in this financial year.

The directors consider that there is no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements. For example, the statement of financial position of the Company is now presented in the notes to the financial statements rather than as a primary statement and related notes to the statement of financial position of the Company are generally no longer presented.

3. Basis of preperation

(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.

(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.

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.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
- Substantive potential voting rights held by the Company and other parties who hold voting rights;
- Other contractual arrangements; and
- Historic patterns in voting attendance

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 dividend received and receivable.

(c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of identifiable assets and liabilities acquired.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, 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 is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A CGU to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4(m)), and whenever there is an indication that the unit may be impaired.

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. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. 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
Motor vehicles	4 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.

(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.

(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.

(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, and amount due to a shareholder, 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.

(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.

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.

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.

(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.

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.

(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.

(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 finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(m)).

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; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the income statement immediately.

(m) Impairment of assets (other than financial assets)

At the end of each reporting period, 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
- deposit paid

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.

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.

Value in use is based on the estimated future cash flows expected to be derived from the asset or CGU (see note 4(c)), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(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.

(o) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(p) Related Parties

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

- has control or joint control over the Group;
- has significant influence over the Group; or
- is a member of key management personnel of the Group or the Company’s parent.

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

- 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).
- 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).
- Both entities are joint ventures of the same third party.

- One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
- The entity is controlled or jointly controlled by a person identified in (a).
- 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).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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:

- that person's children and spouse or domestic partner;
- children of that person's spouse or domestic partner; and
- 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 Group'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.

(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 as well as deferred tax assets and liabilities. 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 current and deferred income tax assets and liabilities 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, intangible assets and deposit paid, 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.

(f) Consolidation of entities

Where the Group held 100% of equity interests in an entity and the Group has determined that the Group does not has the practical ability to unilaterally direct the relevant activity of an entity, the Group did not consolidate the entity as a subsidiary. Details are given in note 28.

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").

(a) Geographic information

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.

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 RMB155,838,767 (2014: RMB144,594,699) are derived from three customers (2014: four) which individually contributed more than 10% to the Group's revenue. Details of the revenues from these three customers are as follows:

	2015		2014	
	Revenue RMB	**Proportion to the total revenue**	**Revenue RMB**	**Proportion to the total revenue**
Customer A	**90,765,847**	**47%**	49,733,724	32%
Customer B	**39,924,290**	**21%**	55,409,940	36%
Customer C	**25,148,630**	**13%**	N/A	N/A
Customer D	**N/A**	**N/A**	20,726,224	13%
Customer E	**N/A**	**N/A**	18,724,811	12%
Total	**155,838,767**	**81%**	**144,594,699**	**93%**

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

7. Revenue

Revenue includes 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 during the year are as follows:

	2015 RMB	**2014 RMB**
Commission and service income	**168,568,290**	159,647,516
Sales of merchandise	**34,695,967**	3,596,841
	203,263,967	163,244,357
Less: business tax and relevant surcharge	**(10,929,480)**	(9,019,042)
Total	**192,334,487**	154,225,315

8. Other revenue

	2015 RMB	2014 RMB
Bank interest income	**45,204**	266,719
Government grants*	**1,557,500**	-
Others	**-**	4,956
Total	**1,602,704**	271,675

*The Group received unconditional discretionary grants from the relevant PRC government authorities in support of enterprise operating in specified industry.

9. Other gains and losses, net

	2015 RMB	2014 RMB
Exchange losses, net	**533,541**	5,897,719

10. Profit before income tax

Profit before income tax is arrived at after charging:

	2015 RMB	2014 RMB
Auditor's remuneration	**578,082**	489,118
Cost of revenue by nature:		
• Promotion and advertising expenses	**9,188,579**	22,253,289
• Marketing merchandise	**44,160,342**	36,714,540
• Bank handling charge	**373,144**	3,987
• Ongoing service fee	**10,407,840**	15,422,532
	64,129,905	74,394,348
Staff cost (including directors) comprise:		
• Contribution on defined contribution retirement plan	**14,484,000**	8,002,970
• Salaries and staff benefits	**54,259,199**	31,733,081
Operating lease charges in respect of leasehold buildings	**5,280,171**	2,426,182
Amortisation of intangible assets	**2,154,068**	1,887,466
Depreciation of property, plant and equipment	**3,192,793**	1,214,629
Loss on disposal of property, plant and equipment	**277,306**	-

11. Directors' emoluments

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) is as follows:

	2015 RMB	2014 RMB
Directors' fees	**960,000**	960,000
Salaries, bonuses, allowances and benefits	**2,205,000**	2,103,622
Contribution on defined contribution retirement plan	**63,640**	56,378
	3,228,640	3,120,000

12. Income tax expense

	2015 RMB	2014 RMB
Current tax - PRC		
- Tax for the year	**23,688,558**	2,261,689
- Under-provision in respect of prior year	**443,173**	-
	24,131,731	2,261,689
Deferred tax (note 20)	**(18,131,775)**	(306,680)
	5,999,956	1,955,009

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Company had no assessable profits for the year.

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% (2014: 25%).

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

	2015 RMB	2014 RMB
Profit before income tax	**16,200,143**	8,937,577
Tax calculated at the PRC enterprise income tax rate of 25%	**4,050,036**	2,234,394
Effect of non-taxable and non-deductible items, net	**1,423,684**	(422,079)
Tax losses not recognised	**2,778**	69,397
Under-provision in respect of prior year	**443,173**	-
Deductible temporary difference not recognised	**80,285**	73,297
Income tax expense	**5,999,956**	1,955,009

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:

	2015 RMB	2014 RMB
Earnings for the purposes of basic and diluted earnings per share	**10,200,187**	6,982,568

Number of shares:

	2015 RMB	2014 RMB
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**1,070,024,045**	1,042,128,653

14. Dividend

No dividend was paid or proposed during the year ended 31 December 2015 (2014: Nil), nor has any dividend been proposed since the end of reporting period.

15. Property, plant and equipment

	Leasehold improvements RMB	Electronics and office equipment RMB	Motor vehicle RMB	Total RMB
Cost				
At 1 January 2014	-	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
Additions	4,184,829	3,354,196	1,229,060	8,768,085
Disposals	(337,923)	-	-	(337,923)
At 31 December 2015	4,035,406	7,145,402	1,229,060	12,409,868
Accumulated depreciation				
At 1 January 2014	-	1,676	-	1,676
Charge for the year	6,283	255,252	-	261,535
At 31 December 2014	6,283	256,928	-	263,211
Charge for the year	256,104	1,831,690	146,012	2,233,806
Disposals	(60,617)	-	-	(60,617)
At 31 December 2015	201,770	2,088,618	146,012	2,436,400
Net Book Value				
At 31 December 2015	3,833,636	5,056,784	1,083,048	9,973,468
At 31 December 2014	182,217	3,534,278	-	3,716,495

16. Intangible assets

	Licensing arrangement RMB	Computer software RMB	Total RMB
Cost			
At 1 January 2014	55,760,000	29,915	55,789,915
Additions	-	111,752	111,752
At 31 December 2014	55,760,000	141,667	55,901,667
Additions	-	2,382,321	2,382,321
At 31 December 2015	55,760,000	2,523,988	58,283,988
Accumulated amortisation			
At 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
Amortisation expense	1,858,667	295,401	2,154,068
At 31 December 2015	4,801,556	325,659	5,127,215
Carrying amounts			
At 31 December 2015	50,958,444	2,198,329	53,156,773
At 31 December 2014	52,817,111	111,409	52,928,520

In accordance with a licensing agreement entered into between the Group and Shanghai Handpay Information & Technology Co., Ltd ("Handpay") in 2013 and the relevant supplementary agreements entered into in 2015 (together the "Handpay Service Agreements"), the Group acquired all rights, title and interest to the operating results of 99wuxian.com mobile marketplace. The licensing period is 30 years and RMB55,760,000 was paid by the Group to Handpay in 2013 in accordance with the Handpay Service Agreements.

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

In accordance with the Handpay Service Agreements, Handpay entitles to an ongoing service fee which was originally calculated as 10% of revenue derived from the 99wuxian.com mobile marketplace and was revised to 3% of the Company's revenue derived from the 99wuxian.com mobile marketplace with effective from 1 July 2015.

17. Goodwill

	RMB
As at 1 January 2014, 31 December 2014 and 2015	3,440,400

For the purpose of impairment testing, goodwill is allocated to the CGU in relation to the Group's provision of financial and operational services on a mobile marketplace in the PRC.

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 PRC.

	2015	2014
Discounted rate	**24%**	30%
Operating margin	**67%**	52%
Growth within the five-year period	**2% - 20%**	2% - 15%

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.

18. Inventories

	2015 RMB	2014 RMB
Marketing merchandise	**17,369,679**	17,231,860

19. Trade and other receivables

	Notes	2015 RMB	2014 RMB
Non-current			
Deposit paid	(a)	**160,000,000**	-
Current			
Trade receivables	(b)	**20,582,790**	7,133,839
Prepayments and deposits		**39,119,686**	37,550,717
Other receivables		**5,526,776**	336,518
Other receivable from Handpay	(c)	**129,070,520**	114,957,029
		194,299,772	

Note:

(a) In 2015, the Group has entered into a binding conditional agreement (the “Ofpay Agreement”) to acquire 100% equity interests in Jiangsu Ofpay E-commerce Limited (“Ofpay”). An initial deposit of RMB160,000,000 was paid during the year and three deferred payments (“Deferred Payments”) up to a total maximum of RMB297,400,000 contingent upon certain performance targets being achieved are payable between 31 December 2015 to 30 June 2017.

As confirmed by the Group’s legal advisor, the acquisition was not completed as at 31 December 2015 and the Group did not have the practical ability to unilaterally direct the relevant activity of Ofpay as certain conditions under the Ofpay Agreement had not been fulfilled.

Up to the date of the report, no Deferred Payments have been paid by the Group.

(b) Trade receivables arose from m-Commerce transactions and mobile marketing business.

Ageing analysis of trade receivables which are past due but not impaired is as follows:

	2015 RMB	2014 RMB
Neither past due nor impaired	**16,955,927**	-
Less than 1 month past due	**275,503**	7,133,839
1 to 3 months past due	**677,261**	-
More than 3 months but less than 12 months past due	**2,674,099**	-
	20,582,790	7,133,839

Trade receivables which were neither past due nor impaired related to a wide range of trade debtors for who there was no recent history of default.

(c) Other receivable due from Handpay is mainly derived from the operation of 99wuxian.com. According to the Handpay Service Agreements, 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 30). The amount is unsecured, interest free and repayable on demand.

Impairment on trade and other receivables

The Group recognised impairment loss on trade and other receivables based on the accounting policy stated in note 4(f)(ii). At the reporting dates, the Group reviewed receivables for evidence of impairment on both an individual and collective basis. At 31 December 2015, 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 (2014: nil).

The other classes within trade and other receivables do not contain impaired assets. The management expects to collect the receivable due from Handpay and hence no provision for impairment has been made as at 31 December 2015 (2014: nil).

20. Deferred taxation

The component of deferred tax assets recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax loses **RMB**
As at 1 January 2015	-
Credited to profit or loss for the year	17,825,095
As at 31 December 2015	17,825,095

Deferred tax assets are recognised for tax losses carried forwards to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2015, the Group has unrecognised tax losses of RMB11,112 (2014: RMB277,558). The tax losses will expire in the next one to five financial years for offsetting future taxable profits of the Group.

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

	Fair value adjustment of Intangible assets **RMB**
As at 1 January 2014	9,021,503
Credited to profit or loss for the year	(306,680)
As at 31 December 2014 and 1 January 2015	8,714,823
Credited to profit or loss for the year	(306,680)
As at 31 December 2015	8,408,143

21. Trade and other payables

	2015 RMB	2014 RMB
Trade payables	**1,232,674**	2,173,085
Accruals and other payables	**15,249,438**	9,324,774
Receipts in advance	**36,329,692**	-
	52,811,804	11,497,859

22. Amount due to a shareholder

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

23. Share capital

	Notes	Number of ordinary shares	RMB
Authorised:			
At 1 January 2014		**1,800,000,000**	1,433,160
The concept of authorised share capital is abolished on 3 March 2014	(a)	**(1,800,000,000)**	(1,433,160)
At 31 December 2014, 1 January 2015, and 31 December 2015		**-**	-
Issued: Fully paid up			
At 1 January 2014		**1,024,569,500**	815,657
The concept of authorised share capital is abolished on 3 March 2014	(a)	**-**	138,396,504
Placing of new shares	(b)	**45,454,545**	132,803,213
At 31 December 2014, 1 January 2015, and 31 December 2015		**1,070,024,045**	272,015,374

Note:

(a) The Hong Kong Companies Ordinance, Cap. 622 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 new Hong Kong Companies Ordinance, Cap. 622. 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.

(b) On 13 August 2014, the Company issued 45,454,545 ordinary shares at a price of Australian Dollar ("A$") 0.55 per share.

24. Reserves

	Company		
	Share premium RMB	**Retained earnings RMB**	**Total RMB**
At 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 23(a))	(138,396,504)	-	(138,396,504)
Loss for the year	-	(216,077)	(216,077)
At 31 December 2014 and 1 January 2015	-	9,675,028	9,675,028
Profit for the year	-	64,020,927	64,020,927
At 31 December 2015	-	73,695,955	73,695,955

25. Operating lease commitment

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

	2015 RMB	**2014 RMB**
Not later than one year	**4,139,120**	19,200
Later than one year and not later than five years	**15,806,267**	-
	19,945,387	19,200

Operating lease payments represent rentals payable by the Group for its offices. Leases are negotiated for terms of one to five years at fixed rental.

The contingent ongoing service fee in relation to the Handpay Service Agreements as stated in note 16 to the financial statements recognised as an expenses for the year are RMB10,407,840 (2014: RMB15,422,532).

26. Captial commitment

There is no capital commitment for the Group at the end of report year (2014: Nil).

27. Statement of financial position of the company

	Notes	2015 RMB	2014 RMB
Non-current assets			
Intangible asset		50,958,444	52,817,111
Interests in subsidiaries	28	31,787,500	31,787,500
Goodwill	17	3,440,400	3,440,400
Total non-current assets		86,186,344	88,045,011
Current assets			
Trade and other receivables		175,189,759	101,056,346
Amount due from a subsidiary		94,789,742	73,000,000
Cash and cash equivalents		3,086,770	30,165,515
Total current assets		273,066,271	204,221,861
Non-current liabilities			
Deferred tax liabilities		8,408,143	8,714,823
Total non-current liabilities		8,408,143	8,714,823
Current liabilities			
Trade and other payables		1,291,945	941,394
Tax payables		3,841,198	920,253
Total current liabilities		5,133,143	1,861,647
Net current assets		267,933,128	202,360,214
Net assets		345,711,329	281,690,402
Capital and reserves			
Share capital	23	272,015,374	272,015,374
Reserves	24	73,695,955	9,675,028
		345,711,329	281,690,402

On behalf of the Board

Mr. Ross Benson
Director

Ms. Amalisia Zhang
Director

28. Interests in subsidiaries

	2015 RMB	2014 RMB
Unlisted equity interest, at cost	**31,787,500**	31,787,500
Less: Provision for impairment	**-**	-
Net carrying amount at 31 December	**31,787,500**	31,787,500

Particulars of the subsidiaries at 31 December 2015 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. 耐特耐商贸（上海）有限公司	Limited liability company	PRC 2 July 2013	Investment holding in PRC	HK$40,000,000	100%
上海泰北金融信息服务有限公司 (Formerly known as 上海泰北信息技术有限公司) ("Shanghai Tapit")	Limited liability company	PRC 24 November 2014 (Note (i))	Dormant	Nil	100%
Indirect					
Shanghai Xinshunhui Trading Co., Ltd. 上海鑫顺汇商贸有限公司	Limited liability company	PRC 27 June 2013	Investment holding in PRC	RMB 30,100,000	100%
Shanghai Handpal Information Technology Co., Ltd. 上海瀚之友信息技术服务有限公司	Limited liability company	PRC 4 July 2013	Provision of financial and operational services on a mobile marketplace in PRC	RMB 30,000,000	100%
Shanghai Handpal Information Technology Co., Ltd. 上海瀚之友信息技术服务有限公司	Limited liability company	PRC 20 April 2015 (Note (ii))	Provision of operational services on a mobile marketplace in PRC	RMB1,000,000	100%

Note:

(i) 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 Group Limited (formerly known as Investorlink China Limited)("Investorlink Group") 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.

(ii) Handqian was established by the Group on 20 April 2015 with paid-up capital of RMB1,000,000.

29. Related party transactions

Transaction with key management personnel/Material interests of directors in transactions, arrangements or contracts

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

	2015 **RMB**	**2014** **RMB**
Investorlink Corporate Limited ("Investorlink Corporate") Professional services fee	**1,454,182**	1,042,349

Mr. Ross Benson, Director and key management personnel of the Company, is associated with Investorlink Securities Limited ("Investorlink Securities"), Investorlink Corporate and Investorlink Group Limited ("Investorlink Group"). Mr. Tony Groth, director and key management personnel of the Company, was also associated with Investorlink Securities, Investorlink Corporate and Investorlink Group until his resignation in June 2015. In addition to above, the professional services fees of RMB5,539,476 for Investorlink Corporate (advisor and underwriter on placement) were included in equity as part of the share issuance costs during the year ended 31 December 2014.

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

30. Note to the consolidated statements of cash flows

Transactions with Handpay under Handpay Service Agreements are set out below. The amount due from Handpay in respect of these transactions is included in other receivables (note 19).

	2015 **RMB**	**2014** **RMB**
Operating activities		
Sales received by Handpay on behalf of the Group	**109,897,039**	129,777,782
Operating cost paid by Handpay on behalf of the Group	**(28,046,523)**	(49,387,073)
Ongoing service fee charged by Handpay	**(10,407,840)**	(15,422,532)
	71,442,676	64,968,177

31. 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 amount due to a shareholder, 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:

	2015 **RMB**	**2014** **RMB**
Total debts	**140,000,000**	-
Total shareholders' equity	**291,880,222**	281,680,035
Gearing ratio	**48%**	0%

32. 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 83.3% (31 December 2014: 93.9%) 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 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 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.

	Within one year or on demand RMB
At 31 December 2015	
Trade and other payables	16,482,112
Amount due to a shareholder	140,000,000
	156,482,112
At 31 December 2014	
Trade and other payables	11,497,859

(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 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.

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

	2015 RMB	2014 RMB
Impact of HKD		
Cash and cash equivalent	**671,123**	15,829,182
Overall net exposure	**671,123**	15,829,182
Impact of AUD		
Cash and cash equivalent	**2,746,540**	14,649,922
Overall net exposure	**2,746,540**	14,649,922

	Increase/ (decrease) in foreign exchange rates	Effect on profit/loss for the year ended 31 December 2015 and retained profits	Increase/ (decrease) in foreign exchange rates	Effect on profit/loss for the year ended 31 December 2014 and retained profits
	%	RMB	%	RMB
HKD	+5%	33,556	+5%	791,459
	-5%	(33,556)	-5%	(791,459)
AUD	+5%	137,327	+5%	732,496
	-5%	(137,327)	-5%	(732,496)

33. 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 2015 and 2014 may be categorised as follows:

	2015 RMB	2014 RMB
Financial assets		
Loans and receivables:		
Trade and other receivables	**155,180,086**	122,427,386
Cash and cash equivalents	**40,910,686**	67,779,281
	196,090,772	190,206,667
Financial liabilities		
Liabilities measured at amortised cost:		
Trade and other payables	**16,482,112**	11,497,859
Amount due to a shareholder	**140,000,000**	-
	156,482,112	11,497,859

34. Event after the reporting date

On 4 February 2016, the Company had completed a placement to public investors via the issue of 89,658,618 fully paid CDIs to raise a total appropriately RMB42 million (A$9.02 million).

Except as disclosed above and elsewhere in this report, there are no material subsequent events undertaken by the Company or the Group after 31 December 2015.

35. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2016.

Additional information

Issued capital

As at 06 April 2016, the Company had 1,159,682,763 ordinary fully paid shares on issue, of which 1,159,682,760 shares have been converted to CHESS Depositary Interests (CDI's) and were traded on the ASX. Some shares/CDI's are currently under voluntarily restrictions. A summary of all shares/CDI's showing restrictions is set out below:

Description	Number of shares/ CDI's
Unrestricted	412,243,515
Restricted from trading until 8 October 2016	747,439,248
	1,159,682,763

There is no on-market buy back currently in place.

Substantial shareholders

Description	No of shares/CDIs	% of issued capital/date notified to ASX
Grand Ease Holdings Limited	255,300,969	23.86% (15/08/14)
Investorlink Securities Limited	103,121,918	9.64% (09/10/15)
Caihui Investments Limited	146,919,472	14.34% (09/10/13)
Vtion Capital Investment Limited	71,733,391	7.00% (09/10/13)
Nation Pride Investments Limited	71,732,559	7.00% (09/10/13)
Decheng Investments Limited	59,343,154	5.79% (10/10/13)
ACE Ray Limited	86,158,618	7.43% (04/02/16)

Top 20 shares/CDI holders as at 06 April 2016

Rank	Name	Shares/CDIs	% of Issued Capital
1	GRAND EASE HOLDINGS LIMITED	255,300,969	22.01
2	CAIHUI INVESTMENTS LIMITED OVERSEAS MANAGEMENT COMPANY TRUST (B.V.I)	146,919,472	12.67
3	INVESTORLINK SECURITIES LIMITED	111,122,018	9.58
4	ACE RAY LIMITED	86,158,618	7.43
5	VTION CAPITAL INVESTMENT LIMITED	71,733,391	6.19
6	NATION PRIDE INVESTMENTS LTD OVERSEAS ANAGEMENT COMPANY TRUST (B.V.I)	71,732,559	6.19
7	DECHENG INVESTMENTS LIMITED	59,343,154	5.12
8	WUXIAN NOMINEES PTY LTD	50,000,000	4.31
9	INVESTORLINK CHINA LIMITED	40,506,983	3.49
10	FULLY BEST HOLDINGS LIMITED OVERSEAS MANAGEMENT COMPANY TRUST (B.V.I)	35,865,863	3.09
11	RADIANT COSMO INVESTMENTS LTD	29,126,087	2.51
12	WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	13,409,091	1.16
13	MS CHOI PINK LO	5,054,890	0.44
14	YUEN CHING LIN	4,750,000	0.41
15	P J J HOLDINGS NO 1 PTY LIMITED <SUPERANNUATION FUN ACCOUNT>	4,560,000	0.39
16	R J SHERLOCK FINANCIAL SERVICES PTY LIMITED <R J SHERLOCK PROV FUND A/C>	3,804,400	0.33
17	PERSHING AUSTRALIA NOMINEES PTY LTD <PHILLIP SECURITIES (HK) A/C>	3,511,750	0.30
18	RNR AUSTRALIA PTY LTD <DATA AIDS P/L S/F NO 2 A/C>	3,476,250	0.30
19	UBS NOMINEES PTY LTD	3,380,000	0.29
20	CITICORP NOMINEES PTY LIMITED	3,315,435	0.29
Top 20 shareholders		**1,003,070,930**	**86.50**
Total Remaining Holders Balance		**156,611,830**	**13.50**

Distribution of Shareholders/CDI holders

There were 1,412 shareholders/CDI holders at 6 April 2016. Each Shareholder/CDI holder is entitled to one vote for each security held.

Range	Total holders	Shares/CDIs	% of Issued Capital
1 - 1,000	68	26,218	0.00
1,001 – 5,000	162	563,590	0.05
5,001 – 10,000	205	1,756,492	0.15
10,001 – 100,000	664	27,343,540	2.36
Over 100,000	313	1,129,992,920	97.44
Totals	**1,412**	**1,159,682,760**	**100.00**

There are 139 CDI holders who hold less than a marketable parcel as at 06 April 2016.

Voting Rights

The voting rights are that each CDI holder is entitled to 1 vote per CDI at a meeting of members, provided that a CDI Holder undertakes the following steps:

- Instructing CDN as the legal owner to vote the shares underlying in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting and this must be completed and returned to the share registry prior to the meeting.
- Informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their shares underlying the CDIS for the purposes of attending and voting at the general meeting or;
- Converting their CDIs into a holding of these shares and voting these shares at the meeting.

Use of Cash Consistent with Business Objectives

99 Wuxian confirms that during the financial year ending 31 December 2015, it has used cash and other assets readily convertible to cash that it held at time of admission, in a way consistent with its business objectives.

99 Wuxian's Place of Incorporation

As 99 Wuxian is incorporated in Hong Kong and not established in Australia, its corporate activities (apart from the offering of securities in Australia) are not regulated by the Corporations Act of the Commonwealth of Australia or by the Australian Securities and Investments Commission but instead are regulated by the Hong Kong Companies Ordinance and the Financial Services and the Treasury Bureau. 99 Wuxian is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act 2001 in Australia. The following information is provided as required to ASX on an annual basis to disclose the limitations on acquisition on securities.

Takeovers

The Hong Kong Code on Takeovers and Mergers (the "Takeovers Code") regulates takeovers and mergers in Hong Kong and applies to public companies in Hong Kong. The Takeovers Code provides that when a person, or two or more persons acting in concert collectively:

- acquire 30% or more of the voting rights of a company; or
- hold not less than 30% but more than 50% of the voting rights of the company and acquires more than 2% of the voting rights of a company from the lowest percentage holding of that person or persons collectively within a 12 month period, then a general offer must be made to all other shareholders of the company.

Compulsory Acquisition

Schedule 13 of the Hong Kong Companies Ordinance sets out the right to buy out minority shareholders. If within four months of making an offer to buy shares, a company has acquired 90% in value of the shares, the acquiring company may give notice to the remaining shareholders that it desires to acquire their shares. Provided that notice is given within five months of the original offer, the acquiring company is entitled and bound to acquire those shares on the same terms as the offer.

Substantial holder notices

Part XV of the Hong Kong Securities and Futures Ordinance requires the disclosure by substantial shareholders, directors, shadow directors and chief executives of a listed corporation (collectively "Corporate Insiders") of their interests in the securities of a listed corporation when their interests reach the notifiable percentage level. The notifiable percentage level is an interest in shares of an aggregate nominal value of 5% or more of the relevant shares in the listed corporation.

Corporate directory

	Registered Office - Hong Kong	Registered Office - Australia
Address	27/F., Alexandra House 18 Chater Road, Central, Hong Kong	C/-Investorlink Corporate Limited Level 26 56 Pitt Street Sydney, New South Wales 2000
Phone	+852 2803 3688	+61 9276 2000
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Board of Directors

Name	Position
Mr Ross Benson	Chairman, Non-Executive Director
Ms Amalisia Zhang	Chief Executive Officer, Executive Director
Mr David Chen	Executive Director
Mr YongKuan Duan	Non-Executive Director
Mr Simon Green	Non-Executive Director
Mr Tony Groth	Non-Executive Director

Company Secretary

HWB (Corporate Services) Limited

ASX Code

NNW

Australian Legal Advisor

HWL Ebsworth Lawyers Level 23
123 Eagle Street
Brisbane, Queensland 4000
Phone: 1300 850 505

Share registry

Computershare Investor Services Pty Limited Yarra Falls,
452 Johnston Street
Abbotsford
Melbourne, Victoria 3067

Auditor

BDO Limited Level 25
Wing On Centre
111 Connaught Road
Central, Hong Kong

ANNUAL REPORT 2015

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