



ASX Release
29 February 2016

99 Wuxian delivers 46% profit growth

Hong Kong, 29 February 2016: 99 Wuxian, (ASX: NNW) (“99 Wuxian” or “the Company”), is pleased to announce its results for the 12 months ended 31 December 2015 with record results across key financial and operating metrics.

Highlights¹:

- Revenue of RMB 192.3 million (AUD 40.7 million) in FY2015, up 25% from RMB 154.2 million (AUD 32.6 million) in FY2014
- Statutory NPAT of RMB 10.2 million (AUD 2.2 million) in FY2015, up from RMB 7.0 million (AUD 1.5 million) in FY2014, an increase of 46%
- Cash and cash equivalents of RMB 40.9 million (AUD 8.6 million) as at 31 December 2015
- Strong expansion of the platform with continued addition of high quality business partners and merchants
- Significant business diversification by entering new channels to market
- Total registered user base of 54.5 million as at 31 December 2015, up from 40.8 million as at 31 December 2014
- Record 56.8 million transactions on the platform
- Gross Transaction Value (GTV) of RMB 13.6 billion (AUD 2.9 billion), up from RMB 8.2 billion (AUD 1.7 billion) in the 12 months to 31 December 2014
- Average Transaction Value (ATV) of RMB 239 (AUD 51), a move from RMB 246 (AUD 52) in the 12 months to 31 December 2014 which is the result of change in product and proactive strategy to increase user engagement.

Summary Financials:

(see Appendix A for AUD summary financials)

RMB, 31 December year end	FY2014	FY2015 ³	Growth
Revenue	154,225,315	192,334,487	25%
Gross profit	79,830,967	128,204,582	61%
<i>Gross margin (%)</i>	<i>51.8%</i>	<i>66.7%</i>	<i>1489bps</i>
Underlying ² EBITDA	17,665,716	22,035,341	25%
Statutory EBITDA	11,767,997	21,501,800	83%

¹ RMB translated into AUD using the average rate of AUD/RMB 4.7275 for FY2015 and FY2014 to eliminate the exchange rate impact. Cash and cash equivalents translated into AUD at the spot rate of AUD/RMB 4.7442 as at 31 December 2015. The information for FY2015 has not been audited or reviewed.

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. See Appendix A for further information.

³ FY2015 information has not been audited or reviewed.



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Underlying PBT	14,835,296	16,733,684	13%
Statutory PBT	8,937,577	16,200,143	81%
Statutory NPAT	6,982,568	10,200,187	46%

Key Performance Metrics:
(see Appendix A for AUD summary metrics)

RMB, except user and transaction numbers	FY2014	FY2015	Growth
Registered users	40,790,721	54,514,538	34%
Transactions	33,307,476	56,823,020	71%
Gross Transaction Value (GTV)	8,189,624,814	13,598,533,720	66%
Average Transaction Value (ATV)	246	239	(3%)
Net commission rate	2.0%	1.5%	(51bps)

CEO Amalasia Zhang commented: “This is an excellent result for 99 Wuxian and reflects our focus on increasing the registered user base and improving user engagement, having grown revenue nearly threefold in three years.

“Improvements in user engagement drove higher gross transaction values, while we were able to grow the registered use base through the launch of new products, the optimisation of product mix, and the launch of a number of effective joint marketing campaigns with our business partners. We successfully expanded our base of contracted partners on the 99 Marketplace and rewards redemption platform from a focus on large banks to include regional banks, rural credit cooperatives and insurance companies, enlarging the pool of underlying customers. The combination of these factors resulted in strong GTV and revenue growth. We will work hard to build on this growth in 2016, especially with the expansion of the rewards redemption business and the introduction of the iBenefit Platform.”

Commenting on the result, Chairman Ross Benson said: “99 Wuxian is well positioned for the next phase of its growth. The Company has a high level of operating leverage which will enable further growth as the business continues to expand its user base. The agreement to acquire Jiangsu Ofpay E-commerce Limited (“Ofpay”), a leading supplier of virtual products and services, is a strategic upstream acquisition to strengthen our position in the Chinese m-commerce market.

99 Wuxian is uniquely positioned to capitalise on several significant market opportunities. The Chinese e-commerce market continues to experience strong growth. 99 Wuxian’s competitive advantage is that it owns and operates a gateway that offers a unique ecosystem connecting business partners’ high value consumers with merchants.”

Business Partner and Merchant Portfolio:

Business Partners:



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The Company continues to attract high value business partners and to expand its reach in China. The platform has established relationships with 71 business partners, including China's leading financial institutions, telecommunications and insurance companies.

During 2015, the Company added 11 new business partners reflecting the continued adoption and success of the platform. 99 Wuxian established a loyalty incentive platform for Tianan Insurance in 2015 and continues to operate the platform. This momentum has continued in 2016, as 99 Wuxian is working on a new marketing campaign for a long-term client, Industrial and Commercial Bank of China ("ICBC"), the world's largest bank.

The Company is actively focussed on developing new channels to market while also continuing discussions with its existing business partners to on board them onto the reward redemption platform.

Merchants:

In order to maintain its high business standards for product and service quality, the Company maintains a select universe of 155 top-tier merchants who offer virtual and physical goods for purchase through 99 Wuxian's platform.

The Company continues to actively monitor and manage its product and merchant mix in response to evolving user demand including the addition of a number of leading merchants during 2015. The Company successfully enhanced and optimised product and product mix to include petrol cards, healthcare products and virtual vouchers. 99 Wuxian has a strong pipeline of new products for release over the medium term and will continue to optimise its product mix in order to increase commission rates.

Strategy and Outlook:

99 Wuxian has delivered exceptional growth, with record results achieved in 2015 across key financial and operating metrics. Looking forward, the Company is focused on capitalising on its unique position of owning and operating an enterprise-level mobile internet gateway connecting high value consumers with merchants and driving growth in FY2016 by continuing to capitalise on the significant market opportunity and positive growth trends in Chinese on-line marketplace, which now has over 300 million participants.

99 Wuxian is focused on disciplined execution of its growth strategy by accelerating the growth of its registered user base and user engagement, expanding its rewards redemption platform across business partners, delivering revenue from new channels to market, expanding the platform to new business partners, new merchants and new products. For example, the introduction of iBenefits, which provides employee loyalty and reward benefit redemption platform for business partners to efficiently manage their employees benefit, incentive and loyalty programs.

The synergistic acquisition of Ofpay, a leading upstream wholesaler of online transaction services and product, will enhance 99 Wuxian's business focus on downstream business partner engagement.



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99 Wuxian is committed to delivering better outcomes in FY2016 and will strive to achieve strong growth and benefit from operating leverage as the business continues to scale.

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About 99 Wuxian Limited

99 Wuxian is a leading mobile internet gateway, providing comprehensive solutions for business partners, connecting their customers and employees with high quality merchants for transactions.

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Appendix A

Summary Financials:

AUD	FY2014	FY2015	Growth
Revenue	32,623,017	40,684,186	25%
Gross profit	16,886,508	27,118,896	61%
<i>Gross margin (%)</i>	<i>51.8%</i>	<i>66.7%</i>	<i>1489bps</i>
Underlying EBITDA	3,736,799	4,661,098	25%
Statutory EBITDA	2,489,264	4,548,239	83%
Underlying PBT	3,138,085	3,539,648	13%
Statutory PBT	1,890,550	3,426,789	81%
Statutory NPAT	1,477,011	2,157,628	46%
Cash and cash equivalents	14,286,767	8,623,306	(40%)

Note: RMB translated into AUD using the average rate of AUD/RMB 4.7275 for FY2015 and FY2014, to eliminate the exchange rate impact. Cash and cash equivalents as at 31 December 2015 and as at 31 December 2014 translated into AUD using the 31 December 2015 spot rate of AUD/RMB 4.7442 to eliminate the exchange rate impact. Financial information for FY2015 has not been audited or reviewed.

Key Performance Metrics:

AUD	FY2014	FY2015	Growth
Gross Transaction Value (GTV)	1,732,337,348	2,876,474,610	66%
Average Transaction Value (ATV)	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. The information for FY2015 has not been audited or reviewed.

Reconciliation of Statutory to Underlying Results:

RMB	FY2014	FY2015
Statutory EBITDA	11,767,997	21,501,800
Other gains and losses	5,897,719	533,541
Underlying EBITDA	17,665,716	22,035,341
Depreciation and amortisation	(3,102,095)	(5,346,861)
Net interest expense	271,675	45,204
Underlying PBT	14,835,296	16,733,684

Note: Financial information for FY2015 has not been audited or reviewed.