



Notice of Meeting & Explanatory Statement

99 Wuxian Limited ARBN164 764 729

This Notice of General Meeting and Explanatory Statement should be read in their entirety. If Shareholders or CDI Holders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Shareholders and CDI Holders should refer to the Independent Expert's Report enclosed with this Notice of Meeting

The Independent Expert has determined the Zhang Ofpay Sale is not fair but reasonable to the non-associated Shareholders and CDI Holders.

General Meeting of 99 Wuxian Limited ARBN 164 764 729, Hong Kong Company No. 1903220

To be held at: Ming Room, Level 2, 3 Spring Street, Christie Conference Centre, Sydney, NSW 2000

To be held on: 27 March 2017

Commencing: 1:30pm (Sydney time) / 10:30am (Hong Kong time)

Important dates

Date of this Circular	3 March 2017
CDI Voting Instruction Form Deadline for lodgement of CDI Voting Instruction Forms for the General Meeting	1:30pm (Sydney time) 24 March 2017 10:30am (Hong Kong time) 24 March 2017
Proxy forms Deadline for lodgement of proxy forms for the General Meeting	1:30pm (Sydney time) 25 March 2017 10:30am (Hong Kong time) 25 March 2017
General Meeting General Meeting convened	1:30pm (Sydney time) 27 March 2017 10:30am (Hong Kong time) 27 March 2017
ASX Notification Company notifies ASX that the Resolutions have been passed at the General Meeting	27 March 2017
Completion of the 2017 Ofpay Sale* Presently anticipated date of completion of the Zhang Loan Agreement and Investment Group Sale Agreement	April 2017

*Dates are indicative only and subject to change.

IMPORTANT NOTICE

For the reasons set out in this Circular, the Directors who have no interest in the 2017 Ofpay Sale, recommend that Shareholders or CDI Holders approve the Resolutions to be considered at the General Meeting.

Important information and notices

Shareholders and CDI Holders are urged to read the Notice of General Meeting in full before making a decision on if and how to vote on the Resolutions to be considered at the General Meeting.

No investment or financial product advice

This is an important document which requires your attention. The Circular provides Shareholders and CDI Holders with information which will assist them in evaluating the Resolutions contained in the Notice of General Meeting. The Circular does not take into account your investment objectives, financial situation or particular needs. You should obtain independent financial, investment, legal and taxation advice before deciding whether or not to attend and vote at the General Meeting and on how to vote in respect of the Resolutions. The Company is not licensed to provide financial product advice in relation to 99 Wuxian Shares or 99 Wuxian CDIs or any other financial products.

Forward looking statements

Certain statements in the Circular relate to the future or are forward looking statements including (without limitation) in connection with the divestment of the shares in Jiangsu Ofpay e-commerce Limited (**Ofpay**). Forward looking statements may be identified by words such as 'expects', 'anticipates', 'intends', 'believes', 'seeks', 'estimates' or 'will' or words of similar meaning and include, without limitation, forward looking statements regarding the Company's financial position and performance and its business strategy, plans and objectives for future operations. These forward looking statements are based on the Company's current expectations about future events. Shareholders and CDI Holders are cautioned not to place undue reliance on forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the Company as well as matters pertaining to general economic conditions and the state of the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Company, any of its directors or officers or any person named in the Circular or involved in the preparation of the Circular makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. The forward looking statements in the Circular reflect views held only as at the date of the Circular.

ASX lodgement

The Circular (including the Notice of General Meeting and the Explanatory Statement) has also been provided to ASX. The ASX takes no responsibility for the contents of the Circular.

Other sources of information

In addition to the information set out in the Circular (including the Notice of General Meeting), you may wish to review information contained in the following other documents in deciding whether or not to attend and vote at the relevant Meetings and on how to vote in respect of the Resolutions:

- ASX announcements made by the Company;
- the 2015 Annual Report of the Company which is available on its website: www.99wuxian.com; and
- information regarding the Company which is available on its website: www.99wuxian.com.

A copy of any of the ASX announcements made by the Company and the 2015 Annual Report of the Company may also be obtained by contacting the Company. Note that none of the above documents forms part of the Circular or any accompanying document.

Supplementary information

The Company will issue a supplementary document to the Circular if it becomes aware of any of the following prior to the Meetings:

- a material statement in the Circular is false or misleading;
- a material omission from this Circular;
- a significant change affecting a matter in the Circular; or
- a significant new matter has arisen and it would have been required to be included in the Circular if known at the date of despatch of the Circular to Shareholders and CDI Holders.

Depending on the nature and the timing of the changed circumstances and subject to obtaining any relevant approvals, the Company may circulate and publish any supplementary document by posting the supplementary document on the Company's website, making an announcement to ASX or sending a copy of the supplementary document to Shareholders and CDI Holders.

Applicability of the Corporations Act

The Company is incorporated in Hong Kong and is registered as a "foreign company" under Chapter 5B of the Corporations Act. The Company is not subject to a number of provisions of the Corporations Act including chapter 6 of the Corporations Act and in particular:

- The 20% prohibition rule contained in section 606 of the Corporations Act; and
- The substantial shareholder notification provisions contained in section 671B of the Corporations Act.

The Company is not subject to the jurisdiction of the Australian Takeovers Panel.

Conversion Date

The currency conversions from RMB to A\$ have been calculated on the exchange rate of RMB5.2744 to A\$1.00 on the Conversion Date.

Date

This Circular is dated 3 March 2017.

Letter from the Chairman

Dear Shareholders and CDI Holders,

On 22 December 2015, under the terms of the 2015 Ofpay Acquisition Agreement, 99 Wuxian Limited (**99 Wuxian** or **Company**) acquired 100% of the shares in Jiangsu Ofpay e-commerce Limited (**Ofpay**) (through its wholly owned subsidiary, Shanghai Handpal Information Technology Service Co., Ltd (**99 Wuxian PRC**)).

The 2015 Ofpay Acquisition price was made up of the 2015 Initial Payment of RMB160 million (A\$34.1 million) plus the 2015 Deferred Payments, being a further amount (up to a maximum of RMB297.4 million (A\$63.5 million) contingent upon certain performance targets of Ofpay being achieved over an 18 month period post completion of the 2015 Ofpay Acquisition (**2015 Ofpay Acquisition Price**). None of the 2015 Deferred Payments have been made.

The 2015 Initial Payment was funded by way of:

- Existing cash in 99 Wuxian;
- Funds borrowed under the 2015 Grand Ease Loan Agreement.

The present transaction – The 2017 Ofpay Sale

Following the acquisition of Ofpay, Ofpay achieved the performance targets set out in the 2015 Ofpay Acquisition Agreement between 99 Wuxian and Ofpay.

The Directors were unable to implement an effective funding solution at acceptable prices to fund the 2015 Deferred Payments due to market conditions being unfavourable and the Australian market sentiment towards Chinese listings in Australia. Without funding for the 2015 Deferred Payments to the Original Vendors, 99 Wuxian was exposed to default risks including potential legal action and the Directors formed the view that the lowest risk and most appropriate option in the circumstances was to exit the investment in Ofpay.

As a result of 99 Wuxian being unable to fund the 2015 Deferred Payments, 99 Wuxian entered into negotiations to exit the investment in Ofpay and avoid making the 2015 Deferred Payments.

In summary, 99 Wuxian has agreed to transfer 100% of the issued share capital in Ofpay (**2017 Ofpay Sale**) as follows:

- **Transfer 1** - Transfer of 40% of the shares in Ofpay to Amalisia Zhang (Director) (**Zhang Ofpay Sale**) in consideration for RMB200 million (A\$37.9 million) (**Zhang Ofpay Sale Price**).

The Zhang Ofpay Sale is documented pursuant to the terms of the Investment Group Ofpay Sale Agreement dated 30 December 2016, the Zhang Loan Agreement dated 16 January 2017 and the Grand Ease Security Agreement to be entered into before the General Meeting.

- **Transfer 2** - Transfer of 35% of the shares in Ofpay to an investment group (**Investment Group Ofpay Sale**) in consideration for RMB175 million (A\$33.2 million) (**Investment Group Ofpay Sale Price**).

The Investment Group Ofpay Sale is documented pursuant to the terms of the Investment Group Ofpay Sale Agreement entered into on 30 December 2016 and the Second Supplemental Agreement entered into in 28 October 2016.

This RMB175 million will be paid to the original vendors of Ofpay (**Original Vendors**) to extinguish part of the 2015 Deferred Payment obligations of 99 Wuxian to the Original Vendors under the terms of the 2015 Share Purchase Agreement.

- **Transfer 3** - 25% of the shares in Ofpay back to the Original Vendors of the Ofpay shares (**Original Vendors Ofpay Sale**) to extinguish the balance of the 2015 Deferred Payment

obligations of 99 Wuxian to the Original Vendors under the terms of the 2015 Share Purchase Agreement.

The Original Vendors Ofpay Sale is documented pursuant to the terms of the Second Supplemental Agreement entered into in 28 October 2016 and the Investment Group Ofpay Sale Agreement entered into on 30 December 2016.

The Zhang Ofpay Sale Price will be paid by way of:

- **The Zhang Loan Repayment** - The repayment and discharge of the total amount owing (including all interest) of RMB140 million (A\$26.5 million) to Grand Ease under the 2015 Grand Ease Loan Agreement and the cancellation of the Convertible Note issued to Grand Ease under the 2015 Grand Ease Loan Agreement;
- **The Zhang Cash Payment** - The payment of RMB20 million (A\$3.8 million) in cash;
- **Zhang Vendor Finance** - Zhang Vendor Finance, in the form of a secured loan (on arms lengths terms) in the amount of RMB40 million (A\$7.6 million) from 99 Wuxian to Amalisia Zhang on the following terms:
 - The Zhang Vendor Finance will be secured over all of the fully paid Shares on issue in 99 Wuxian held by Grand Ease (ASX.NNW);
 - The Zhang Vendor Finance will be for a maximum 3 year term;
 - The Zhang Vendor Finance will bear interest at the Renminbi deposit rate provided by China Merchants Bank, Hong Kong Branch plus a 50% premium.

The Zhang Ofpay Sale (a component of the proposed 2017 Ofpay Sale)

The Zhang Ofpay Sale is documented by way of the Investment Group Ofpay Sale Agreement dated 30 December 2016, the Zhang Loan Agreement dated 16 January 2017 and the proposed Grand Ease Security Agreement. The 3 transfer components of the 2017 Ofpay Sale are conditional upon the Zhang Ofpay Sale.

This Circular contains the Shareholder and CDI Holder approvals required to implement the Zhang Ofpay Sale detailed in the announcements lodged on the ASX on 4 November 2016.

The purpose of this Circular is to provide you with information to assist you in assessing the 2017 Ofpay Sale and the Zhang Ofpay Sale (being a component of the 2017 Ofpay Sale).

In the event the Resolutions contained in this Circular are not approved, the Zhang Ofpay Sale will not proceed and 99 Wuxian will retain a 40% interest in Ofpay, 99 Wuxian will look for alternative means to dispose of the asset. Further, there will be possible dilution of shares from the conversion of the Convertible Note and issue of shares to Ms Zhang.

The General Meeting and the Resolutions

The General Meeting is scheduled to be held at Ming Room, Level 2, 3 Spring Street, Christie Conference Centre, Sydney, NSW 2000 on 27 March 2017 commencing from 1:30pm (Sydney time) / 10:30am (Hong Kong time).

The Notice of the General Meeting contains the Resolutions required to approve the Zhang Ofpay Sale; namely:

Resolution	Detail
Resolution 1	Approval under Listing Rule 10.1 for the transfer of the 40% of the shares it holds in Ofpay, being a 'substantial asset' to Amalisia Zhang. Approval under Listing Rule 11.4 for the disposal of a 'major asset' (Ofpay shares) given at the time of disposal, the Company is aware that the parties acquiring Ofpay intend (in the longer term) to issue or offer securities in Ofpay with a view to listing Ofpay.
Resolution 2	Ratification of documents and approval of the 2017 Ofpay Sale, the Zhang Ofpay Sale and the Zhang Loan Repayment.

Resolution 3	Ratification of documents and approval of the Grand Ease Security.
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As required under ASX Listing Rule 10.10, this Notice of General Meeting contains an Independent Expert Report from BDO Corporate Finance (QLD) Ltd, stipulating that the transaction is not fair but reasonable to 99 Wuxian's non-associated Shareholders and CDI Holders.

Detail of the Ofpay Sale is provided in the Explanatory Statement which forms part of the Notice of General Meeting.

Voting instructions

Voting instructions for the General Meeting are contained in Section D of this Circular and personalised proxy forms are enclosed. Your vote is important and we encourage you to vote at the General Meeting either in person or by proxy. If you are unsure as to how to vote, we recommend that you speak with your professional adviser.

Questions

Should you wish to discuss the matters in this Circular please do not hesitate to contact Mr Quinent Leung on +612 9276 2000.

We look forward to the participation of Shareholders and CDI Holders at the General Meeting on 27 March 2017.

Yours faithfully



Ross Benson
Chairman

Note: This letter contains general information only, and has been prepared without taking account of the objectives, financial situation or needs of any particular person. Accordingly, before acting on any information in this letter, you should consider the appropriateness of the information to your objectives, financial situation and needs and consult a professional adviser where necessary. The Company is not licensed to provide financial product advice.

Section A – Glossary

\$ or A\$	Australia dollars, the lawful currency of Australia.
2015 Deferred Payments	The deferred payments (payable under the terms of the 2015 Share Purchase Agreement) consisting of up to a total maximum of RMB 297.4 million (A\$63.5 million) contingent upon certain performance targets being achieved. The 2015 Deferred Payments were payable between 31 December 2015 to 30 June 2017.
2015 Grand Ease Loan Agreement	The loan agreement between Grand Ease and 99 Wuxian documenting the provision of the unsecured loan from Grand Ease, an entity controlled by Ms Amalisia Zhang, a Director of 99 Wuxian, to 99 Wuxian in the amount of RMB 140,000,000 (A\$7.6 million) and the issue of the Convertible Note entered into in December 2015.
2015 Ofpay Acquisition	The acquisition by 99 Wuxian PRC of 100% of the issued share capital in Ofpay from the Vendors which completed on 22 December 2015, documented pursuant to the 2015 Ofpay Acquisition Agreement.
2015 Ofpay Acquisition Agreement	The share purchase agreement entered into on 16 December 2015 for the acquisition of the entire issued share capital in Ofpay from the Original Vendors by 99 Wuxian PRC.
2015 Ofpay Acquisition Price	The consideration paid (or to be paid) by 99 Wuxian PRC under the 2015 Ofpay Acquisition Agreement. The Acquisition Price consisted of: <ul style="list-style-type: none"> • The 2015 Initial Payment; and • The 2015 Deferred Payments (the 2015 Deferred Payments were not made).
2015 Initial Payment	The RMB160 million (A\$34.1 million) paid under the 2015 Ofpay Acquisition Agreement.
2017 Ofpay Sale	The proposed sale of 100% of the issued share capital of Ofpay to be completed pursuant to: <ul style="list-style-type: none"> • 40% - Zhang Ofpay Sale (the subject of the Resolutions); • 35% - Investment Group Ofpay Sale; • 25% - Original Vendor Ofpay Sale.
99 Wuxian or Company	99 Wuxian Limited ARBN164 764 729, Hong Kong Company No. 1903220.
99 Wuxian PRC	Shanghai Handpal Information Technology Service Co., Ltd.
99 Wuxian CDIs	All of the CDIs on issue in the Company and 99 Wuxian CDI means any one of them.
99 Wuxian Shares	All the ordinary shares in the share capital of the Company and 99 Wuxian Share means any one of them.
ASIC	The Australian Securities & Investments Commission.
ASX	The Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	The Listing Rules of the ASX.
Business Day	A day which is not a Saturday, Sunday or public holiday in Sydney, Australia.
CDI	A CHESS Depository Interest issued by 99 Wuxian and representing the beneficial ownership of one Share and CDIs means more than one CDI.
CDI Holder	A holder of a CDI.
CDN	CHESS Depository Nominees Pty Limited ACN 071 346 506.
Circular	This document, including the Notice of General Meeting and the Explanatory Statement.
Companies Ordinance	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the time being in force.
Company or 99 Wuxian	99 Wuxian Limited ARBN164 764 729, Hong Kong Company No. 1903220.

Conversion Date	8 February 2017, being the date on which the conversion between RMB to A\$ was determined.
Corporations Act	The Corporations Act 2001 (Commonwealth) for the time being in force together with the regulations of the Corporations Act.
Convertible Note	The 1 convertible note issued to Grand Ease under the 2015 Grand Ease Loan Agreement convertible up to a maximum of 213,317,081 CDIs.
Directors	The directors of the Company.
Explanatory Statement	The information set out in Section E of this Circular.
First Supplemental Agreement	The first supplemental agreement entered into between 99 Wuxian and the Original Vendors on 8 October 2016.
General Meeting	The meeting of Shareholders and CDI Holders called by the Company, and referred to in Section B of this Circular, at which the Resolutions will be put to Shareholders and CDI Holders.
Glossary	The glossary contained in Part A to this Circular.
Grand Ease	Grand Ease Holdings Limited, a company incorporated in the British Virgin Islands with company number 1772763 and whose registered office is situate at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
Grand Ease Security	The security created over all of the fully paid Shares on issue in 99 Wuxian held by Grand Ease pursuant to the Grand Ease Security Agreement.
Grand Ease Security Agreement	The proposed security agreement between Grand Ease and 99 Wuxian PRC documenting the provision of the security over 255,300,969 99 Wuxian Shares held by Grand Ease (being all of the Shares held by Grand Ease) securing the payment to 99 Wuxian under the Zhang Loan Agreement as detailed in paragraph 1.6 of the Explanatory Statement.
Heads of Agreement	The heads of agreement entered into between 99 Wuxian and Ms Amalisia Zhang on or about 4 November 2016. This agreement was superseded by the Zhang Loan Agreement and the Grand Ease Security Agreement.
Hong Kong	The Hong Kong Special Administrative Region.
Hong Kong Companies Ordinance	The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which came into effect on 3 March 2014 as amended, supplemented or otherwise modified from time to time.
Independent Expert's Report	The Independent Expert's Report issued by BDO Corporate Finance (QLD) Ltd and accompanying this Circular.
Investment Group	ShenZhen Capital Group Co., Ltd (ShenZhen VC) and nine other Chinese entities.
Investment Group Ofpay Sale	The sale to the Investment Group of 35% of the issued share capital in Ofpay by 99 Wuxian PRC, documented by way of the Investment Group Ofpay Sale Agreement.
Investment Group Ofpay Sale Agreement	The investment agreement entered into between each of the Investment Group, the Original Vendors, Amalisia Zhang and 99 Wuxian PRC on 30 December 2016 documenting the Investment Group Ofpay Sale.
Investment Group Ofpay Sale Price	RMB175 million (A\$33.2 million) for the Investment Group Ofpay Sale.
Notice of General Meeting	The notice of general meeting of Shareholders set out in Section B of this Circular.
Ofpay	Jiangsu Ofpay E-commerce Limited.
Ofpay Shares	All of the shares on issue in Ofpay held by 99 Wuxian PRC and " Ofpay Share " means any one of them.
Original Vendors	Each of Mr Shi Zhengchuan and Mr Xue Li, being the vendors of Ofpay to 99 Wuxian PRC under the 2015 Ofpay Acquisition Agreement.

Original Vendor Ofpay Sale	The transfer to the Original Vendors of 25% of the issued share capital in Ofpay by 99 Wuxian PRC, documented by way of the Second Supplemental Agreement and the Investment Group Ofpay Sale Agreement.
Original Vendor Ofpay Sale Price	The extinguishing of part of the 2015 Deferred Payment obligations of 99 Wuxian to the Original Vendors under the terms of the 2015 Share Purchase Agreement (the total amount being extinguished by way of the transfer of the Investment Group Ofpay Sale Price to the Original Vendors).
PRC	The People's Republic of China and for the purposes of this Circular excludes Hong Kong, the Macau Special Administrative Region and the island of Taiwan.
Proxy Form	The proxy forms appended to this Circular.
Resolutions	Those resolutions set out in Section B of this Circular that will be proposed at the General Meeting.
RMB	Renminbi (¥), the lawful currency of the PRC.
Second Supplemental Agreement	The second supplemental agreement entered into between 99 Wuxian and the Original Vendors on 28 October 2016.
Section	A section of this Circular.
Shareholder(s)	A holder of one or more 99 Wuxian Shares.
Zhang Cash Payment	The payment by Amalisia Zhang to 99 Wuxian PRC of RMB20 million (A\$3.8 million) in cash.
Zhang Loan Agreement	The loan agreement entered into between Amalisia Zhang and 99 Wuxian on 16 January 2017 documenting the Zhang Ofpay Sale and the Grand Ease Vendor Finance as detailed in paragraph 1.6 of the Explanatory Statement.
Zhang Loan Repayment	The proposed repayment and discharge of the total amount owing (including all interest) to Grand Ease under the under the 2015 Grand Ease Loan Agreement and the cancellation of the Convertible Note issued to Grand Ease.
Zhang Ofpay Sale	The sale to Amalisia Zhang of 40% of the issued share capital in Ofpay by 99 Wuxian PRC, documented by way of the Zhang Loan Agreement, Investment Group Ofpay Sale Agreement and the Grand Ease Security Agreement.
Zhang Sale Price	The consideration to be paid by Amalisia Zhang to 99 Wuxian PRC under the Zhang Loan Agreement. The Zhang Ofpay Sale Price consists of the: <ul style="list-style-type: none"> • Zhang Loan Repayment; • Zhang Cash Payment; and • Zhang Vendor Finance.
Zhang Vendor Finance	The amount financed by 99 Wuxian for the Zhang Ofpay Sale in the amount RMB40 million (A\$7.6 million) and documented pursuant to the terms of the: <ul style="list-style-type: none"> • Investment Group Ofpay Sale Agreement; • Zhang Loan Agreement; • Grand Ease Security Agreement.

Section B – Notice of General Meeting

Time and place

Notice is hereby given that the General Meeting will be held as follows:

- Held at: Ming Room, Level 2, 3 Spring Street, Christie Conference Centre, Sydney, NSW 2000
- Commencing on: 1:30pm (Sydney time) / 10:30am (Hong Kong time on 27 March 2017)

Explanatory Statement

The Explanatory Statement which accompanies and forms part of this Notice of General Meeting describes the matters to be considered at the General Meeting.

Defined terms

Terms used in this Notice of General Meeting have the meaning given to them in the Glossary in Section A of this Circular in which this Notice of General Meeting is contained.

Conditional Resolutions

Each of the below Resolutions are conditional on all of the Resolutions being approved.

SPECIAL BUSINESS

1. Resolution 1 : ASX Listing Rule requirements - The 2017 Ofpay Sale and the Zhang Ofpay Sale (a component of the 2017 Ofpay Sale)

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, subject to the approval of Resolution 2 and Resolution 3, for the purposes of:

- ASX Listing Rule 10.1 and for all other purposes, approval is given for the Company to complete the Zhang Ofpay Sale and transfer 40% of the issued shares in Ofpay to Ms Amalisia Zhang, a related party of the Company; and*
- ASX Listing Rule 11.4 and for all other purposes, approval is given for the Company to sell its entire shareholding interest in Ofpay (**Ofpay Shares**) to Ms Amalisia Zhang, the Investment Group and the Original Vendors (**Buyers**) and any associate of those Buyers without the Buyers making an offer to Shareholders and CDI Holders which satisfies ASX Listing Rule 11.4.1(a),*

on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Short Explanation: This Resolution approves both the transfer of a 'substantial asset' (40% of the Ofpay Shares) to a related party (Amalisia Zhang) under ASX Listing Rule 10.1 and, under ASX Listing Rule 11.4, the disposal of a 'major asset' (Ofpay Shares) given at the time of disposal, the Company is aware that the parties acquiring Ofpay intend (in the longer term) to issue or offer securities in Ofpay with a view to listing Ofpay.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Ms Amalisia Zhang, Grand Ease, the Investment Group, the Original Vendors and any of their associates.

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Independent Expert's Report: Shareholders and CDI Holders should carefully consider the Independent Expert's Report prepared for the purpose of the Shareholder approval required under ASX Listing Rule 10.1. The Independent Expert's Report comments on the fairness and reasonableness of the transaction the subject of this Resolution to the non-associated Shareholders and CDI Holders. The Independent Expert has determined the Zhang Ofpay Sale is not fair but reasonable to the non-associated Shareholders and CDI Holders.

2. **Resolution 2 : Ratification of documents and approval of the 2017 Ofpay Sale, the Zhang Ofpay Sale and the Zhang Loan Repayment**

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That subject to the approval of Resolution 1 and Resolution 3:

- (a) *the terms of each of the 2017 Ofpay Sale, the Zhang Ofpay Sale, the Zhang Vendor Finance, the Zhang Loan Repayment and the Grand Ease Security as documented by way of the Investment Group Ofpay Sale Agreement, the Second Supplemental Agreement, Zhang Loan Agreement and the Grand Ease Security Agreement be and are hereby ratified, confirmed and approved;*
- (b) *all transactions contemplated under the Investment Group Ofpay Sale Agreement, the Second Supplemental Agreement, the Zhang Loan Agreement and the Grand Ease Security Agreement and in connection with the 2017 Ofpay Sale the Zhang Ofpay Sale, the Zhang Vendor Finance, the Zhang Loan Repayment and the Grand Ease Security be and are hereby approved; and*
- (c) *any one Director be and is hereby authorised for and on behalf of the Company to do all such acts and things, to sign and execute the Investment Group Ofpay Sale Agreement, the Second Supplemental Agreement, Zhang Loan Agreement and the Grand Ease Security Agreement and any other documents, instruments or agreements, and to do any things or acts as he/she deemed necessary, desirable or expedient to give effect to the 2017 Ofpay Sale, the Zhang Ofpay Sale, the Zhang Vendor Finance, the Zhang Loan Repayment and the Grand Ease Security and/or the transactions contemplated by the Investment Group Ofpay Sale Agreement, the Second Supplemental Agreement, Zhang Loan Agreement and the Grand Ease Security Agreement and for completion of the same, including but not limited to any filings with the Companies Registry of Hong Kong."*

Short Explanation: This Resolution is required under Hong Kong law and approves the Zhang Ofpay Sale, the Grand Ease Security Agreement and the transactions contemplated therein and allows any one director of the Company to sign the Investment Group Ofpay Sale Agreement, Zhang Loan Agreement and the Grand Ease Security Agreement and any other necessary documents.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Ms Amalisia Zhang, Grand Ease and any associates of those persons.

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Resolution 3 : Ratification of documents and approval of the Grand Ease Security

To consider and, if thought fit, pass the following resolution, with or without amendment, as a **special resolution**:

"That subject to the approval of Resolution 1 and Resolution 2:

- (a) the terms of each of the Grand Ease Security as documented by way of the Grand Ease Security Agreement be and is hereby ratified, confirmed and approved;*
- (b) all transactions contemplated under the Grand Ease Security Agreement and in connection with the Grand Ease Security be and are hereby approved; and*
- (c) any one Director be and is hereby authorised for and on behalf of the Company to do all such acts and things, to sign and execute the Grand Ease Security Agreement and any other documents, instruments or agreements, and to do any things or acts as he/she deemed necessary, desirable or expedient to give effect to the Grand Ease Security and/or the transactions contemplated by the Grand Ease Security Agreement and for completion of the same, including but not limited to any filings with the Companies Registry of Hong Kong."*

Short Explanation: This Resolution is required under Hong Kong law and approves the Grand Ease Security Agreement and the transactions (including the buy-back of Shares in the event of enforcement) contemplated therein and allows any one director of the Company to sign the Grand Ease Security Agreement and any other necessary documents.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Ms Amalisa Zhang, Grand Ease and any associates of those persons.

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS

To transact any other business which may be brought forward in accordance with the Company's Articles of Association.

Section C – Directors' interests and recommendations

The interests and recommendations of Directors are set out below.

1. Director interests

1.1 Interests in Ofpay and the Zhang Ofpay Sale

None of the Company's Directors with the exception of Ms Amalisia Zhang have any interest in the proposed 2017 Ofpay Sale or the Zhang Ofpay Sale other than in their capacity as CDI Holders of the Company.

1.2 Table of CDI interests

Other than as set out below, no Director will receive any payment or benefit of any kind as a consequence of the approval of the Resolutions contained in this Circular.

The following table sets out the interests held by or on behalf of each director of the Company as at the date of this Circular.

CDI Holders	Number of CDIs	% of CDIs held
Ms Amalisia Zhang	Nil directly	0% directly
	255,300,969 indirectly by Grand Ease	22.01% indirectly
Mr Ross Benson	Nil directly	0% directly
	40,506,983 indirectly by Investorlink Group Limited	3.49% indirectly
	10,000,000 indirectly by Investorlink Super Pty Limited	0.86% indirectly
	11,988,220 indirectly by Jowjin Pty Limited atf Keerati Trust	1.03% indirectly
	5,156,000 indirectly by Keerati Plodprong.	0.44% indirectly
Mr Tao Wen	Nil directly	0% directly
	Nil indirectly	0% indirectly
Mr Yongkuan Duan	Nil directly	0% directly
	Nil indirectly	0% indirectly
Mr Simon Green	1,130,000 directly	0.10% directly
	1,880,000 indirectly by Kangra Holdings Pty Ltd atf the GLG Retirement Fund	0.16% indirectly
Mr Christopher Ryan	Nil directly	0% directly
	23,133,220 indirectly by Stradbroke Plaza Pty Ltd as trustee for the Ryan Retirement Fund	1.99% indirectly

2. Recommendations and open proxies

2.1 Recommendations

For the reasons set out in this Notice of Meeting, Mr Ross Benson, Mr Tao Wen, Mr Yongkuan Duan, Mr Simon Green and Mr Chris Ryan recommend that Shareholders or CDI Holders vote **in favour of** the Resolutions at the General Meeting.

Ms Amalisa Zhang makes no recommendations in respect to the Resolutions as she has an interest in those Resolutions and accordingly is excluded from making any recommendation.

2.2 Open proxies

For the reasons set out in this Notice of Meeting, the Chairman intends to vote open proxies they hold **in favour of** the Resolutions to the extent that he is not excluded from doing so.

Section D – How to vote

If you are entitled to vote at the General Meeting, you should read the instructions below as to whether you can vote in person. Shareholders and CDI holders are entitled to appoint an attorney, proxy or, in the case of corporate shareholders, a corporate representative.

1. Voting entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the General Meeting and CDI holding of CDI holders will be taken to be held by the persons who are registered as members at 5:00pm (Sydney time) / 2:00pm (Hong Kong time) on 24 March 2017. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the General Meeting.

2. Proxy voting by holders of ordinary shares

Shareholders who are unable to attend the General Meeting are requested to complete, sign, date and return the proxy.

A proxy will not be valid unless it is deposited by:

- By mail: 27/F, Alexandra House, 18 Chater Road, Central, Hong Kong
- By fax: +852 2803 3618
- In person: 27/F, Alexandra House, 18 Chater Road, Central, Hong Kong

The proxy must be deposited by no later than 25 March 2017 on 1:30pm (Sydney time) / 10:30am (Hong Kong time). Any proxy form received after that time will not be valid for the General Meeting:

3. Direct voting by holders of CDIs

Holders of CDIs are invited to attend the meeting. CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to:

- By mail: GPO Box 242, Melbourne, Victoria, 3001
- By fax: 1800 783 447 or outside Australia: +61 3 9473 2555
- In person: Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3001

Such Voting Instruction Form will direct CHESS Depositary Nominees Pty Ltd. (**CDN**) to vote the relevant underlying ordinary shares on the CDI Holders behalf or may instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the ordinary shares underlying the CDIs in person at the meeting.

In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form before the time fixed for the General Meeting or an adjournment thereof, being no later than 1:30pm (Sydney time) / 10:30am (Hong Kong time) on 24 March 2017. Any CDI voting form received after that time will not be valid for the General Meeting.

Part E – Explanatory Statement

The Explanatory Statement forms part of the Notice of General Meeting of 99 Wuxian Limited (**Company**) with respect to the General Meeting to be held at Ming Room, Level 2, 3 Spring Street, Christie Conference Centre, Sydney, NSW 2000, Australia commencing on 1:30pm (Sydney time) / 10:30am (Hong Kong time) on 27 March 2017.

The Explanatory Statement is to be read in conjunction with the Notice of General Meeting.

The purpose of the Explanatory Statement is to provide information which the Directors believe is material to Shareholders or CDI Holders in deciding whether or not to pass the Resolutions to be put forward in the General Meeting.

Conversion Date

The currency conversions from RMB to A\$ have been calculated on the exchange rate of RMB5.2744 to A\$1.00 on 8 February 2017.

Read the Circular

The Directors recommend Shareholders and CDI Holders read the Circular in full before making any decisions relating to the Resolutions contained in the Notice of General Meeting.

Defined terms

Terms used in this Explanatory Statement have the meaning given to them in the Glossary in Section A of this Circular in which this Explanatory Statement is contained.

General information

1. The 2017 Ofpay Sale (including the Zhang Ofpay Sale)

1.1 Background – The 2015 Ofpay Acquisition

On 22 December 2015, 99 Wuxian PRC, a wholly owned subsidiary of 99 Wuxian Limited (**Company** or **99 Wuxian**) acquired 100% of the shares in Ofpay from Mr Shi Zhengchuan and Mr Xue Li (**Original Vendors**) pursuant to the terms of the 2015 Ofpay Acquisition Agreement.

The 2015 Ofpay Acquisition Price was made up of:

- The 2015 Initial Payment of RMB160 million (A\$34.1 million), funded by way of:
 - Existing cash in 99 Wuxian in the amount of RMB20 million (A\$3.8 million);
 - The funds loaned under the 2015 Grand Ease Loan Agreement from Grand Ease Holdings Limited (**Grand Ease**), an entity controlled by Ms Amalisia Zhang, Director, to 99 Wuxian, in the amount of RMB140 million (A\$29.9 million) in consideration for the issue of the Convertible Note.
- The 2015 Deferred Payment, being a further amount (up to a maximum of RMB297.4 million (A\$63.5)) contingent upon certain performance targets of Ofpay being achieved over an 18 month period post completion.

To date none of the 2015 Deferred Payments have been made.

It was proposed that after completion of the 2015 Ofpay Acquisition, 99 Wuxian PRC would transfer 12.5% of the shares in Ofpay to a third party immediately post completion of the 2015 Ofpay Acquisition in consideration for RMB 80 million (A\$17.1 million) which would be used to

fund part of the 2015 Deferred Payment (**2015 Ofpay Sell Down**). The 2015 Ofpay Sell Down did not occur.

1.2 Overview of Ofpay

Established in 2005, Ofpay is a wholesale provider of virtual products and services in China. The primary operations of Ofpay include mobile recharge, online game credit recharge, gift cards, fuel cards and payment method for utility bills. For the 12 month period ending 31 December 2016, Ofpay had turnover of RMB 118 million (A\$23 million) and net profit of RMB 50 million (A\$9.6 million).

Refer to Section 5.5 of the Independent Expert's Report for further information in relation to Ofpay's operations.

1.3 The 2017 Ofpay Sale

Overview

Following the acquisition of Ofpay, Ofpay achieved the performance targets set out in the 2015 Ofpay Acquisition Agreement between 99 Wuxian and Ofpay.

The Directors, however, were unable to implement an effective funding solution at acceptable prices to fund the 2015 Deferred Payments due to market conditions being unfavourable and the Australian market sentiment towards Chinese listings in Australia. Without funding for the 2015 Deferred Payments to the Original Vendors, 99 Wuxian was exposed to default risks including potential legal action and the Directors formed the view that the lowest risk and most appropriate option in the circumstances was to exit the investment in Ofpay.

As a result of 99 Wuxian being unable to fund the 2015 Deferred Payments, the Company entered into negotiations with the Original Vendors to exit the investment in Ofpay and avoid making the 2015 Deferred Payments.

- The First Supplemental Agreement

On 10 October 2016, the Company announced that it had signed a supplemental agreement (**First Supplemental Agreement**) with the Original Vendors dated 8 October 2016 regarding the 2015 Deferred Payments for Ofpay. The intention of the First Supplemental Agreement was as follows:

- 99 Wuxian retains an ownership interest of 40% in Ofpay which has been fully funded with its 2015 Initial Payment of RMB160 million (A\$34.1 million); and
- The remaining 60% of Ofpay Shares, being the proportion of Ofpay represented by the three 2015 Deferred Payments of up to a maximum of RMB 297.4 million (A\$63.5 million) which have not been paid are transferred back to the Original Vendors of Ofpay. Following the transfer of the 60% of Ofpay Shares, 99 Wuxian be released from its 2015 Deferred Payments obligations.

- The Second Supplemental Agreement

On 28 October 2016, 99 Wuxian signed a second supplemental agreement with the Original Vendors (**Second Supplemental Agreement**). The Second Supplemental Agreement conditionally supersedes the First Supplemental Agreement and results in the following:

- Rather than transfer the 60% interest in Ofpay back to the Original Vendors, 99 Wuxian PRC will retain a 100% interest and sell down a 35% interest in Ofpay for RMB175 million to ShenZhen Capital Group Co., Ltd (**ShenZhen VC**) and nine other Chinese entities (**Investment Group**). The Investment Group are not related parties of either 99 Wuxian, 99 Wuxian's Directors, Ofpay or any of

their respective shareholders and the Second Supplemental Agreement was negotiated at arm's length;

- After the sale to the Investment Group, 99 Wuxian will transfer the amount received from the Investment Group of RMB175 million and a 25% interest in Ofpay to the Original Vendors; and
- The capital structure of Ofpay will then be as follows:
 - 40% interest held by 99 Wuxian PRC;
 - 35% interest held by the Investment Group; and
 - 25% interest held by the Original Vendors (16.25% to Mr Shi and 8.75% to Mr Xue).

The Second Supplemental Agreement is subject to each of the parties seeking the required approvals, including but not limited to approval from the shareholders and directors, prior to implementation. The Second Supplemental Agreement was also subject to the passing of ShenZhen VC's investment board and the appropriate resolution was passed on 21 October 2016.

If for whatever reason the Second Supplemental Agreement does not proceed, the Second Supplemental Agreement stipulates that 99 Wuxian PRC and the Original Vendors will revert to the First Supplemental Agreement. Under the First Supplemental Agreement, 99 Wuxian PRC will transfer a 60% interest in Ofpay back to the Original Vendors.

- Heads of Agreement

Under the Second Supplemental Agreement, 99 Wuxian will retain a 40% interest in Ofpay.

On 4 November 2016, 99 Wuxian announced that it had entered into an agreement (**Heads of Agreement**) to sell its 40% equity interest in Ofpay for RMB200 million (\$A38 million) to Ms Amalisa Zhang. Ms Zhang, the CEO of 99 Wuxian and the controller of the largest shareholder of 99 Wuxian.

The Heads of Agreement was superseded by the Investment Group Ofpay Sale Agreement, Zhang Loan Agreement and the Grand Ease Security Agreement.

- The Investment Group Ofpay Sale Agreement

On 30 December 2016, 99 Wuxian PRC, the Investment Group, the Original Vendors and Amalisa Zhang entered into the Investment Group Ofpay Sale Agreement.

The Investment Group Ofpay Sale Agreement binds the Investment Group (referred to in the Second Supplemental Agreement) and superseded the Heads of Agreement. It provides as follows:

- 99 Wuxian PRC will transfer a 35% interest in Ofpay to the Investment Group for RMB175 million;

The RMB175 million will be paid directly to the Original Vendors in reduction of the 2015 Deferred Payments;
- The Original Vendors will be transferred a 25% interest in Ofpay in reduction of the 2015 Deferred Payments.

- 99 Wuxian PRC will transfer the balance of its 40% interest to Amalisa Zhang (Director) in consideration for RMB200 million (A\$37.9 million) (**Zhang Ofsale**).

The Investment Group Ofsale Agreement is conditional upon all relevant shareholder approvals by the CDI Holders of 99 Wuxian in regards to the Zhang Ofsale.

- The Zhang Loan Agreement & Grand Ease Security Agreement

On 16 January 2017, 99 Wuxian, 99 Wuxian PRC and Amalisa Zhang entered into the Zhang Loan Agreement. The Zhang Loan Agreement documents the Zhang Ofsale in consideration for the Zhang Ofsale Price and how the Zhang Ofsale Price is to be paid.

Part of the Zhang Ofsale Price is constituted by the Zhang Vendor Finance. It is proposed that the payment obligations of Amalisa Zhang in regards to the Zhang Vendor Finance be secured over the Shares held by Grand Ease in 99 Wuxian. This commitment is documented by way of the proposed Grand Ease Security Agreement.

Detail of the Zhang Ofsale, the Zhang Vendor Finance and the Grand Ease Security Agreement is contained in **paragraph 1.4** below. It is this component of the 2017 Ofsale which requires the approval of CDI Holders.

The 2017 Ofsale - In summary

In summary 99 Wuxian has agreed to transfer 100% of the issued share capital in Ofsale as follows:

Transfer	%	Detail
Zhang Ofsale	40%	<p>Transfer of 40% of the shares in Ofsale to Amalisa Zhang (Director) (Zhang Ofsale) in consideration for RMB200 million (A\$37.9 million) (Zhang Ofsale Price).</p> <p>The Zhang Ofsale is documented pursuant to the terms of the Zhang Loan Agreement and the proposed Grand Ease Security Agreement.</p> <p>The funding for the Zhang Ofsale Price is detailed in paragraph 1.4 below.</p>
Investment Group Ofsale	35%	<p>Transfer of 35% of the shares in Ofsale to an investment group (Investment Group Ofsale) in consideration for RMB175 million (A\$33.2 million) (Investment Group Sale Price).</p> <p>The Investment Group Ofsale is documented pursuant to the terms of the Second Supplemental Agreement and the Investment Group Ofsale Agreement.</p> <p>This RMB175 million will be paid directly to the original vendors of Ofsale (Original Vendors) to extinguish part of the 2015 Deferred Payment obligations of 99 Wuxian to the Original Vendors under the terms of the 2015 Share Purchase Agreement.</p>
Original Vendors Ofsale	25%	<p>Transfer of 25% of the shares in Ofsale back to the Original Vendors of the Ofsale shares (Original Vendors Ofsale) to extinguish the balance of the 2015 Deferred Payment obligations of 99 Wuxian to the Original Vendors under the terms of the 2015 Share Purchase Agreement.</p> <p>The Original Vendors Ofsale is documented pursuant to the terms of the Second Supplemental Agreement and the Investment Group Ofsale Agreement.</p>

The 2017 Ofsale is anticipated to occur in April 2017 conditional on the Resolutions being approved.

The Circular relates, in the main, to the transaction contemplated by the Zhang Ofpay Sale.

Strategic rationale for the 2017 Ofpay Sale (incorporating the Zhang Ofpay Sale)

The strategic rationale behind the 2017 Ofpay Sale includes:

- As the Directors are unable to raise the significant amount of capital required for the 2015 Deferred Payments, 99 Wuxian will only hold a 40% minority interest in Ofpay as a result of the Second Supplementary Agreement. The Directors are of the view that minimal strategic benefits arise from 99 Wuxian holding the 40% minority interest in Ofpay shares and it is their intention to dispose of this interest at a price reflective of their view of fair value;
- The 2017 Ofpay Sale provides an efficient method for unwinding the transaction associated with 99 Wuxian acquiring its interest in Ofpay including material portions of funding required to acquire Ofpay initially under the 2015 Ofpay Acquisition;
- The transaction will provide a profit on sale for 99 Wuxian of RMB40 million (A\$7.7 million) based on the 2015 Initial Payment of RMB160 million;
- Following the sale of the 40% interest, the Directors expect to be able to continue to realise operational benefits through working with Ofpay;
- Following the 2017 Ofpay Sale, 99 Wuxian will have the opportunity to improve its working capital position and potentially enable 99 Wuxian to focus on building other areas of its core businesses;
- The Directors are of the view that the market does not recognise the value of 99 Wuxian's ownership interest in Ofpay. Feedback from the market and from 99 Wuxian's shareholders regarding the acquisition of Ofpay is negative with investors concerned that the gross transaction value ('GTV') margins in Ofpay would lead to diminishing margins in 99 Wuxian on an aggregated basis; and
- The extinguishment of the RMB140 million loan means that 99 Wuxian will no longer have to raise capital to repay the RMB140 million loan under the 2015 Grand Ease Loan Agreement to Ms Zhang and/or dilute Shareholders in circumstances where the Convertible Note is converted into CDIs.

1.4 Overview of the Zhang Ofpay Sale

General

On 16 January 2017, the Zhang Loan Agreement was entered into between 99 Wuxian and Ms Amalisia Zhang. It is proposed that the Grand Ease Security Agreement be entered into between 99 Wuxian and Grand Ease.

Under the Zhang Sale Agreement, Amalisia Zhang has contracted to acquire 40% of the Ofpay Shares in consideration for the Zhang Ofpay Sale Price of RMB200 million (A\$37.9 million).

The terms of the Zhang Loan Agreement and the proposed Grand Ease Security Agreement are provided in **paragraph 1.6** below.

Funding for the Zhang Ofpay Sale Price

The Zhang Sale Price will be paid by way of:

- **The Zhang Loan Repayment** - The repayment and discharge of the total amount owing (including all interest) of RMB140 million (A\$26.5 million) to Grand Ease under the under the 2015 Grand Ease Loan Agreement and the cancellation of the Convertible Note issued to Grand Ease under the 2015 Grand Ease Loan Agreement;

- **The Zhang Cash Payment** - The payment of RMB20 million (A\$3.8 million) in cash;
- **Zhang Vendor Finance** - Zhang Vendor Finance, in the form of a secured loan (on arms lengths terms) in the amount of RMB40 million (A\$7.6 million) from 99 Wuxian to Amalisa Zhang on the following terms:
 - The Zhang Vendor Finance will be secured over 255,300,969 Shares in 99 Wuxian held by Grand Ease (being all Shares in 99 Wuxian held by Grand Ease);
 - The Zhang Vendor Finance will be for a maximum of 3 years;
 - The Zhang Vendor Finance will bear interest at the Renminbi deposit rate (provided by China Merchants Bank, Hong Kong Branch) plus a 50% premium.

The Zhang Ofpay Sale Price (including the Zhang Vendor Finance) is documented by way of the Zhang Loan Agreement and the proposed Grand Ease Security Agreement.

Detail of the Zhang Loan Agreement and the proposed Grand Ease Security Agreement are provided in **paragraph 1.6** below.

1.5 Shareholder approvals

Shareholder approval in regards to the 2017 Ofpay Sale, the Zhang Ofpay Sale (a component of the 2017 Ofpay Sale) and the Grand Ease Security is required given:

- 40% of the Ofpay Shares constitute a 'substantial asset' pursuant to ASX Listing Rule 10.1 and approval under 10.1 is required for the sale of a substantial asset to a related party;
- the Ofpay Shares constitutes a 'major asset' under Listing Rule 11.4 and approval under ASX Listing Rule 11.4 is required given at the time of disposal, the Company is aware that the parties acquiring Ofpay intend (in the longer term) to issue or offer securities in Ofpay with a view to listing Ofpay;
- the Zhang Vendor Finance constitute a loan made to a Director pursuant to section 500 of the Companies Ordinance; and
- the proposed Grand Ease Security involves the charge over 255,300,969 Shares in 99 Wuxian held by Grand Ease (being all Shares in 99 Wuxian held by Grand Ease) to secure the Zhang Vendor Finance and the buy-back of such charged shares by 99 Wuxian in the event of enforcement of the Grand Ease Security pursuant to section 244 of the Companies Ordinance.

These approvals are contained in Resolution 1, Resolution 2 and Resolution 3, the subject of this Notice of General Meeting.

1.6 The key terms of the Investment Group Ofpay Sale Agreement, Zhang Loan Agreement & Grand Ease Security Agreement

Investment Group Ofpay Sale Agreement

The 2017 Ofpay Sale is documented by way of the Investment Group Ofpay Sale Agreement. A summary of the key terms of the Investment Group Ofpay Sale Agreement is provided below:

Investment Group Ofpay Sale Agreement	
	Detail
Date:	30 December 2016
The parties:	99 Wuxian PRC

	<p>Ms Amalisia Zhang</p> <ul style="list-style-type: none">Original Vendors:<ul style="list-style-type: none">Shi ZhengchuanXue Li <p>Investment Group:</p> <ul style="list-style-type: none">Shenzhen Capital Group Co., LtdHangzhou Hotland Zhexing Venture Capital Co., LtdJiangsu Hotland Software Venture Capital CO., LtdNanjing Software Valley Hotland Venture Capital Management Co., LtdSmall and Medium Enterprise Development FundSuzhou Bangshengyingxin Venture CapitalMabaoshi Investment Management (Shanghai) Co., LtdHangzhou Mingzeda Investment Management Co., LtdChongqing Tongjiershijiu Investment Management CentreZhao Haiyun																																	
Transfer:	<p>Subject to the conditions precedent being satisfied it was agreed that 35% of the shares in Ofpay held by 99 Wuxian PRC be transferred to the Investment Group for RMB175,000,000 (Investment Group Sale Price). The proposed transfer amount and consideration is detailed below:</p> <table><tr><th>Shareholder (Investment Group)</th><th>% of Ofpay Shares</th><th>Consideration</th></tr><tr><td>Shenzhen Capital Group Co., Ltd</td><td>5%</td><td>RMB 25,000,000</td></tr><tr><td>Hangzhou Hotland Zhexing Venture Capital Co., Ltd</td><td>2%</td><td>RMB 10,000,000</td></tr><tr><td>Jiangsu Hotland Software Venture Capital Co., Ltd</td><td>2%</td><td>RMB 10,000,000</td></tr><tr><td>Nanjing Software Valley Hotland Venture Capital Management Co., Ltd</td><td>1%</td><td>RMB 5,000,000</td></tr><tr><td>Small and Medium Enterprise Development Fund</td><td>10%</td><td>RMB 50,000,000</td></tr><tr><td>Suzhou Bangshengyingxin Venture Capital</td><td>3%</td><td>RMB 15,000,000</td></tr><tr><td>Mabaoshi Investment Management (Shanghai) Co., Ltd</td><td>3%</td><td>RMB 15,000,000</td></tr><tr><td>Hangzhou Mingzeda Investment Management Co., Ltd</td><td>2%</td><td>RMB 10,000,000</td></tr><tr><td>Chongqing Tongjiershijiu Investment Management Centre</td><td>4%</td><td>RMB 20,000,000</td></tr><tr><td>Zhao Haiyun</td><td>3%</td><td>RMB 15,000,000</td></tr></table>	Shareholder (Investment Group)	% of Ofpay Shares	Consideration	Shenzhen Capital Group Co., Ltd	5%	RMB 25,000,000	Hangzhou Hotland Zhexing Venture Capital Co., Ltd	2%	RMB 10,000,000	Jiangsu Hotland Software Venture Capital Co., Ltd	2%	RMB 10,000,000	Nanjing Software Valley Hotland Venture Capital Management Co., Ltd	1%	RMB 5,000,000	Small and Medium Enterprise Development Fund	10%	RMB 50,000,000	Suzhou Bangshengyingxin Venture Capital	3%	RMB 15,000,000	Mabaoshi Investment Management (Shanghai) Co., Ltd	3%	RMB 15,000,000	Hangzhou Mingzeda Investment Management Co., Ltd	2%	RMB 10,000,000	Chongqing Tongjiershijiu Investment Management Centre	4%	RMB 20,000,000	Zhao Haiyun	3%	RMB 15,000,000
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Conditions precedent:	<p>The transfer of the Ofpay shares under the Investment Group Ofpay Sale Agreement (Completion) is conditional upon:</p> <ul style="list-style-type: none">99 Wuxian PRC provides complete and accurate disclose to the Investment Group and the Original Vendors on the assets and liabilities of Ofpay;No material change occurs in financial and operating conditions of Ofpay during the period up to completion (including the entry into of any material agreements, the violation of any law or regulation, the disposition or encumbrance of any asset) other than in the ordinary course of business;99 Wuxian PRC will not transfer any shares in Ofpay to any other party (other than those detailed in the Investment Group Ofpay Sale Agreement)The Resolutions contained in this Circular are approved.																																	

Post Completion structure:	<p>Post completion of the Investment Group Ofpay Sale Agreement, the shareholding of Ofpay will be as follows:</p> <table border="1"> <thead> <tr> <th>Shareholder</th><th>% of Ofpay Shares</th></tr> </thead> <tbody> <tr> <td>Amalisia Zhang</td><td>40%</td></tr> <tr> <td>Shi Zhengchuan (Original Vendor)</td><td>16.25%</td></tr> <tr> <td>Xue Li (Original Vendor)</td><td>8.75%</td></tr> <tr> <td>Shenzhen Capital Group Co., Ltd</td><td>5%</td></tr> <tr> <td>Hangzhou Hotland Zhexing Venture Capital Co., Ltd</td><td>2%</td></tr> <tr> <td>Jiangsu Hotland Software Venture Capital CO., Ltd</td><td>2%</td></tr> <tr> <td>Nanjing Software Valley Hotland Venture Capital Management Co., Ltd</td><td>1%</td></tr> <tr> <td>Small and Medium Enterprise Development Fund</td><td>10%</td></tr> <tr> <td>Sozhou Bangshengyingxin Venture Capital</td><td>3%</td></tr> <tr> <td>Mabaoshi Investment Management (Shanghai) Co., Ltd</td><td>3%</td></tr> <tr> <td>Hangzhou Mingzeda Investment Management Co., Ltd</td><td>2%</td></tr> <tr> <td>Chongqing Tongjiershijiu Investment Management Centre</td><td>4%</td></tr> <tr> <td>Zhao Haiyun</td><td>3%</td></tr> </tbody> </table>	Shareholder	% of Ofpay Shares	Amalisia Zhang	40%	Shi Zhengchuan (Original Vendor)	16.25%	Xue Li (Original Vendor)	8.75%	Shenzhen Capital Group Co., Ltd	5%	Hangzhou Hotland Zhexing Venture Capital Co., Ltd	2%	Jiangsu Hotland Software Venture Capital CO., Ltd	2%	Nanjing Software Valley Hotland Venture Capital Management Co., Ltd	1%	Small and Medium Enterprise Development Fund	10%	Sozhou Bangshengyingxin Venture Capital	3%	Mabaoshi Investment Management (Shanghai) Co., Ltd	3%	Hangzhou Mingzeda Investment Management Co., Ltd	2%	Chongqing Tongjiershijiu Investment Management Centre	4%	Zhao Haiyun	3%
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Use of funds:	<p>The consideration paid by the Investment Group in the amount of RMB175,000,000 will be paid to the Original Vendors in part reduction of the 2015 Deferred Consideration owed to the Original Vendors under the 2015 Ofpay Acquisition Agreement.</p> <p>The Ofpay shares to be transferred to the Original Vendors will be transferred in final reduction of the 2015 Deferred Consideration owed to the Original Vendors under the 2015 Ofpay Acquisition Agreement.</p>																												
Industrial and commercial bureau registrations:	<p>Ofpay and 99 Wuxian PRC must ensure that Ofpay completes all required Industrial and commercial bureau registrations within 60 days of completion.</p> <p>In the event these are not completed within the time stipulated (other than for a force majeure event), the Investment Group may terminate the Investment Group Ofpay Sale Agreement and 99 Wuxian PRC must refund the consideration paid by the Investment Group plus interest at the rate released by the People's Bank of China with a 10% premium. Amalisia Zhang may bear joint liability for the refund unless waived by the Investment Group.</p>																												
Post Completion management:	<p>The Investment Group Ofpay Sale Agreement contains detailed provisions for the management of Ofpay post Completion, such provisions include the agreement that the approval of more than 2/3rds of the voting Ofpay shares (and more than 2/3rds of the Ofpay Directors) is required for the agreement of a plan for listing Ofpay on the Shenzhen Exchange or the Shanghai Exchange.</p> <p><i>It is this detail which necessitates the inclusion of an ASX Listing Rule 11.4 Resolution as 99 Wuxian is aware that the Investment Group are considering a potential listing of Ofpay in the longer term.</i></p>																												
Warranties:	<p>99 Wuxian PRC provides usual and customary warranties in respect to title, interest, due authorisation, the completeness of information provided to the Investment Group.</p> <p>All other Ofpay specific warranties are provided by Ofpay and Amalisia Zhang.</p>																												
Non-compete:	An open ended non compete provision is included.																												
Completion:	Completion of the Investment Group Ofpay Sale Agreement is anticipated to occur in April 2017.																												

Zhang Loan Agreement & Grand Ease Security Agreement

The Zhang Ofpay Sale (a component of the 2017 Ofpay Sale) is documented by way of the Zhang Loan Agreement. The security for the Zhang Vendor Finance is documented by way of the Grand Ease Security Agreement.

A summary of the key terms of these agreements are provided below:

Zhang Loan Agreement					
	Detail				
Date:	16 January 2017				
The parties:	99 Wuxian 99 Wuxian PRC Ms Amalisia Zhang Grand Ease				
The Zhang Ofpay Sale:	Ms Amalisia Zhang will acquire 40% of the issued share capital in Ofpay from 99 Wuxian PRC.				
The Zhang Ofpay Sale Price:	In consideration for the Ofpay Sale, Amalisia Zhang will pay 99 Wuxian the Zhang Ofpay Sale Price of RMB200 million (A\$37,919,000). Refer to paragraph 1.4 for details.				
Way in which the Zhang Ofpay Sale Price is to be paid:	<p>The Zhang Ofpay Sale Price will be paid by way of:</p> <ul style="list-style-type: none"> • The Zhang Loan Repayment - The repayment and discharge of the total amount owing (including all interest) of RMB140 million (A\$26.5 million) to Grand Ease under the under the 2015 Grand Ease Loan Agreement and the cancellation of the Convertible Note issued to Grand Ease under the 2015 Grand Ease Loan Agreement; • The Zhang Cash Payment - The payment of RMB20 million (A\$3.8 million) in cash; • Zhang Vendor Finance - Zhang Vendor Finance, in the form of a secured loan (on arms lengths terms) in the amount of RMB40 million (A7.6 million) from 99 Wuxian to Amalisia Zhang to partially finance Amalisia Zhang in satisfying the Zhang Ofpay Sale Price on the following terms: <table border="1"> <tr> <td>Term</td><td>The Zhang Vendor Finance will be for a maximum 3 year term</td></tr> <tr> <td>Interest</td><td>The Zhang Vendor Finance will bear interest at the Renminbi deposit rate provided by China Merchants Bank, Hong Kong Branch plus a 50% premium</td></tr> </table>	Term	The Zhang Vendor Finance will be for a maximum 3 year term	Interest	The Zhang Vendor Finance will bear interest at the Renminbi deposit rate provided by China Merchants Bank, Hong Kong Branch plus a 50% premium
Term	The Zhang Vendor Finance will be for a maximum 3 year term				
Interest	The Zhang Vendor Finance will bear interest at the Renminbi deposit rate provided by China Merchants Bank, Hong Kong Branch plus a 50% premium				
Conditions precedent:	The Zhang Loan Agreement is conditional on the Shareholder and CDI Approval as required by ASX Listing Rule 10.1 and consequently approval of Resolution 1, Resolution 2 and Resolution 3.				

Grand Ease Security Agreement	
	Detail
Date:	To be entered into between the date of this Circular and the date of the General Meeting.
The parties:	99 Wuxian PRC (as chargee) Grand Ease (as chargor)
Security:	A charge over 255,300,969 Shares in 99 Wuxian held by Grand Ease (being all Shares in 99 Wuxian held by Grand Ease) securing the Zhang Vendor Finance.
Secured Obligations:	Security interest will be created by this agreement in favour of 99 Wuxian PRC to secure the repayment of the Zhang Vendor Finance granted by 99 Wuxian PRC and other obligations of Zhang and Grand Ease set out in the Zhang Loan Agreement and Grand Ease Security Agreement respectively.
Enforcement:	In the event of default of any Secured Obligations, the 255,300,969 Shares in 99 Wuxian held by Grand Ease may be sold, transferred or otherwise

	disposed of to such person and in such manner and at such price or prices as 99 Wuxian PRC deems fit in or towards satisfaction of any amounts due and payable under the Secured Obligations. This may include a buy-back of the charged shares by 99 Wuxian. As the Zhang Vendor Finance is directly or indirectly funded by 99 Wuxian. The consideration for the buy-back of the charged shares by 99 Wuxian can be set off against the Zhang Vendor Finance funded and no actual consideration would be payable by 99 Wuxian for such shares. Details of the buy-back process is provided below.
Buy-back:	<p>In the event 99 Wuxian is required to buy-back the charged shares in the enforcement of the Grand Ease Security, the following procedures have to be complied with:</p> <ul style="list-style-type: none"> • according to section 244 of the Companies Ordinance, a company buying back of its own shares may do so if the contract (i.e. the Grand Ease Security Agreement) is authorised in advance by special resolution in accordance with sections 245 and 246 of the Companies Ordinance; • section 245 of the Companies Ordinance requires that: <ul style="list-style-type: none"> ○ a copy of the Grand Ease Security Agreement or a memorandum setting out its terms must be made available to all shareholders by being made available for inspection by shareholders of the company at the company's registered office or at a prescribed place for a period of not less than 15 days ending on the date of the meeting and at the meeting; ○ a memorandum referred to above must include the names of shareholders holding shares to which the proposed contract relates; ○ a copy of the Grand Ease Security Agreement made available must have annexed to it a memorandum specifying any of those names of shareholders holding shares to which the Grand Ease Security Agreement relates that do not appear in the Grand Ease Security Agreement. • section 246 of the Companies Ordinance prohibits a shareholder whose shares are to be bought back under the resolution is not entitled to vote; • section 257 of the Companies Ordinance may make a payment in respect of a buy-back of its own shares out of the company's distributable profits or capital (in accordance with sections 258 to 262 of the Companies Ordinance); • according to section 269 of the Companies Ordinance, shares bought back are to be regarded as cancelled on buy-back and a company must reduce the amount of its share capital or profits depending on the payment for buy-back.
Release:	<p>The charge over the 255,300,969 Shares in 99 Wuxian held by Grand Ease will be released upon the earlier of the following:</p> <ul style="list-style-type: none"> • the Resolutions are not approved at the General Meeting; • the termination of all the Grand Ease Security Agreement and the Zhang Loan Agreement, in each case in accordance with the terms of such agreements and to 99 Wuxian PRC's reasonable satisfaction; and/or • the date on which all of the Secured Obligations (detailed above) have been irrevocably and unconditionally performed and discharged in all material respects to 99 Wuxian PRC's reasonable satisfaction.

2. Impact of the 2017 Ofpay Sale on 99 Wuxian

2.1 Completion of the 2017 Ofpay Sale

At completion of the 2017 Ofpay Sale:

- 99 Wuxian will hold no shares or indeed any other interest in Ofpay;
- The Company will have extinguished its 2015 Deferred Payment obligation to the Original Vendors under the terms of the 2015 Share Purchase Agreement;

- Ms Amalisia Zhang will hold 40% of the issued capital in Ofpay;
- The total amount (including interest) owed by the Company to Grand Ease under the 2015 Grand Ease Loan Agreement will have been discharged;
- Ms Amalisia Zhang will have a payment obligation to 99 Wuxian under the Zhang Loan Agreement;
- The payment obligation of Amalisia Zhang under the Zhang Ofpay Sale will be secured over the 99 Wuxian Shares held by Grand Ease way of the Grand Ease Security Agreement.

It is anticipated that the 2017 Ofpay Sale will be completed in April 2017.

2.2 Financial impact

For detail on the financial impact of the 2017 Ofpay Sale, please refer to section 6 of the Independent Expert's Report.

2.3 Impact of the 2017 Ofpay Sale on the Company – Board and management

The proposed 2017 Ofpay Sale will result in no change to the Board and management of the Company.

2.4 Impact of the 2017 Ofpay Sale on the Company – Capital structure

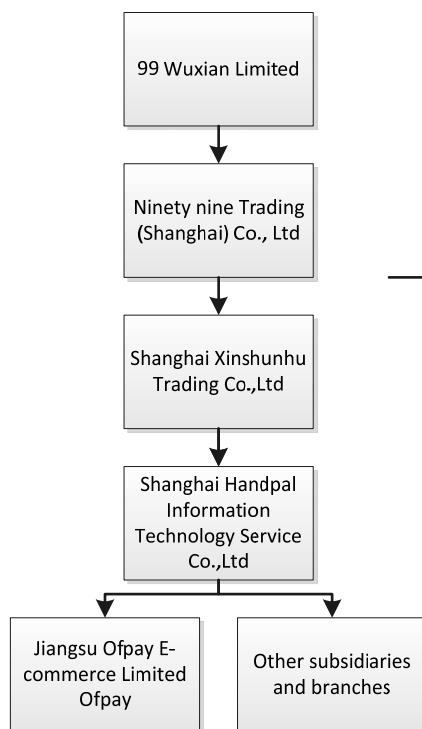
The proposed 2017 Ofpay Sale will result in no change to the capital structure of the Company.

2.5 Impact of the 2017 Ofpay Sale on the Company – Corporate structure

The below diagrams depicts the corporate structure of the Company:

- at the date of this Circular; and
- in the event the 2017 Ofpay Sale is completed.

Corporate structure as at the date of Circular



Corporate structure following completion of the Ofpay Sale



2.6 The Company's intentions for the future without Ofpay

The Company will focus on its B2B2C business and continue to execute its strategies including growing the business with current business partners and new business partners, increasing registered user base, driving user engagement, expanding distribution channels, introducing new product offerings, enriching merchandise categories of new high quality merchants, bridging online and offline, and knowing the customers via big data.

After the Ofpay disposal, the Company will continue to realise operational benefits through maintaining the supply-demand relationship with Ofpay. The Company will continue to work with Ofpay in online virtual product transaction at an arm's length, including but not limited to fair price, supplier selection criteria and other trading conditions, to maximise the shareholders' value of the Company.

2.7 Implications if the Resolutions are not approved

In the event the Resolutions are not approved, then:

Position of Shareholders	Explanation
99 Wuxian will retain 40% interest in Ofpay	<p>If the Zhang Ofpay Sale is not approved 99 Wuxian, through its subsidiary 99 Wuxian PRC, will retain a 40% interest in Ofpay. The other 60% interest in Ofpay will be either owned by:</p> <ul style="list-style-type: none"> The Original Vendors (60%) as part of the First Supplemental Agreement; or The Investors (35%) and the Original Vendors (25%) as part of the Second Supplemental Agreement and Investment Group Ofpay Sale Agreement. <p>In relation to the above, the Investors may no longer be willing to invest in Ofpay as they will not benefit from Ms Zhang's experience and relationship in the industry as a major shareholder.</p>

Position of Shareholders	Explanation
99 Wuxian will look for alternative means to dispose of the 40% in Ofpay	If the Zhang Ofpay Sale is not approved, 99 Wuxian will continue to look for other alternatives to dispose of their 40% interest in Ofpay. 99 Wuxian has no intention in retaining its minority interest in Ofpay.
Dilution of shares from convertible note to Ms Zhang	If the Zhang Ofpay Sale is not approved, the 2015 Grand Ease Loan Agreement will remain a payment obligation of 99 Wuxian and will not be discharged. Alternatively, 99 Wuxian may elect to convert the RMB140 million Convertible Note issued under the terms of the 2015 Grand Ease Loan Agreement. A maximum of 213,317,081 CDIs would be issued at a conversion price of RMB0.6563 (A\$0.1283) per CDI. This will cause a dilution of shares to other shareholders and an increase in the shareholdings of Ms Zhang in 99 Wuxian.
99 Wuxian will not be able to recover the costs incurred in relation to the 2017 Ofpay Sale	If the Zhang Ofpay Sale is not approved, 99 Wuxian will not be able to recover the costs incurred in relation to the 2017 Ofpay Sale.
Effect on 99 Wuxian share price	In the event that the Zhang Ofpay Sale is not approved, the share price of 99 Wuxian may differ materially from the share price in the period following the Ofpay sale announcement on 4 November 2016.

3. Advantages and disadvantages associated with the 2017 Ofpay Sale and the Zhang Ofpay Sale component of the 2017 Ofpay Sale

3.1 Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's and CDI Holders decision on how to vote on the Resolutions:

Efficiently facilitates the unwinding of a material portion of funding to acquire Ofpay initially	<p>Of the RMB160 million paid to acquire the interest in Ofpay initially, RMB140 million was funded by the loan provided from Ms Zhang under the 2015 Grand Ease Loan Agreement. The Directors view was the "put" rights contained in the 2015 Grand Ease Loan Agreement provided 99 Wuxian with a benefit in the event that the loan under the 2015 Grand Ease Loan Agreement could not be funded. The loan under the 2015 Grand Ease Loan Agreement and Convertible Note issued to Ms Zhang was at the time the only immediate source of funding for the acquisition of Ofpay.</p> <p>Following the 2015 Ofpay Acquisition, 99 Wuxian entered into negotiations with the Original Vendors to avoid making the 2015 Deferred Payments. In order to achieve agreement with the Original Vendors, it was necessary to ensure that Ms Zhang was a joint investor in Ofpay. This would not have been possible if 99 Wuxian converted the Convertible Note into 99 Wuxian CDIs and would have put 99 Wuxian at risk of default on the 2015 Deferred Payments. The Directors viewed this as a far more significant business and financial risk than any implied or intrinsic value that existed in the put option.</p> <p>The Directors' rationale for extinguishing the RMB140 million loan under the 2015 Grand Ease Loan Agreement is that it is unwinding the funding used to acquire Ofpay initially. The Directors view unwinding the transaction that led to the initial Ofpay acquisition as the best course of action to protect shareholders interests.</p>
The 2017 Ofpay Sale is the only proposal before the Company to divest Ofpay	The Directors are of the view that the strategic benefits of acquiring Ofpay are significantly reduced as a result of 99 Wuxian holding a 40% minority interest in Ofpay shares, as opposed to the 100%. It is their intention to dispose of the 40% interest in Ofpay at a price reflective of their view of fair value.

	The 2017 Ofpay Sale is the only known offer that has been made to the 99 Wuxian at the date of this Circular. 99 Wuxian also discussed the potential sale of the 40% interest in Ofpay with two other Chinese domestic parties. There were no other firm offers forthcoming and the indicative valuation discussions were below the offer now received from Ms Zhang.
No requirement to raise capital or dilute shareholders ownership interest	Under the terms of the 2017 Ofpay Sale, the RMB140 million loan payable to Ms Zhang under the 2015 Grand Ease Loan Agreement will be extinguished. 99 Wuxian will no longer have to raise capital to repay the RMB140 million loan to Ms Zhang and/or dilute CDI holders in circumstances that the Convertible Note is converted into CDIs (the loan is convertible at 99 Wuxian's option into 213,317,081 CDIs at a conversion price of RMB0.6563).
Reduced selling costs	Under the terms of the 2017 Ofpay Sale, the 40% interest in Ofpay will be sold directly to Ms Zhang. The Zhang Ofpay Sale will therefore eliminate any costs associated with a sale of the 40% interest in Ofpay such as fees to be paid to a corporate adviser which would have otherwise been incurred.
Improved working capital position	<p>The Zhang Ofpay Sale (a component of the 2017 Ofpay Sale) provides 99 Wuxian with the opportunity to increase its cash reserves through:</p> <ul style="list-style-type: none"> the receipt of RMB20 million (Zhang Cash Payment); a loan receivable (in a period up to 3 years) of RMB40 million (Zhang Vendor Finance); and the decrease of the loan payable through the extinguishment of the RMB140 million loan payable to Ms Zhang (Zhang Loan Repayment). <p>This will improve the working capital position of 99 Wuxian and potentially enable 99 Wuxian to focus on building other areas of its core business.</p>
Continuing relationship with Ofpay	<p>Ofpay is currently a wholesale merchant to the 99 Mobile marketplace.</p> <p>Following the sale of the 100% interest in Ofpay (including the 40% to Ms Amalisia Zhang), the Directors expect to be able to continue working with Ofpay with minimal operational impacts.</p> <p>Ms Zhang becoming a 40% shareholder in Ofpay may also be beneficial to 99 Wuxian's continuing relationship with Ofpay as there will be an alignment of interest between both companies' major shareholder.</p>
Impact on the share price	<p>Market feedback and feedback from shareholders regarding the acquisition to acquire Ofpay was negative. The negative feedback arose from the investors' concern that the lower GTV margins in Ofpay would lead to diminishing margins in 99 Wuxian on an aggregated basis. It is anticipated that this negative feedback will continue while 99 Wuxian holds a 40% interest in Ofpay.</p> <p>Given the negative feedback received by 99 Wuxian, it is possible that the sale of Ofpay may improve market sentiment and positively benefit 99 Wuxian's share price.</p>

3.2 Disadvantages

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's and CDI Holders decision on how to vote on the Resolutions:

No exposure to any potential growth in the value of Ofpay	<p>If the Zhang Ofpay Sale is approved, 99 Wuxian will have no exposure to any future growth in the value of Ofpay.</p> <p>The NPAT of Ofpay has been growing historically, and is forecasted to continue to grow. This growth may vary materially over time subject to changes in Ofpay's internal operations, as well as external market conditions.</p>
Loss of synergistic value	<p>Ofpay is an upstream wholesaler of 99 Wuxian and there is a potential loss of value to 99 Wuxian from loss of synergy if the Zhang Ofpay Sale is approved and the 2017 Ofpay Sale completes.</p> <p>The Directors are of the view that the strategic benefits of 99 Wuxian will be significantly reduced by 99 Wuxian holding a 40% minority interest rather than a 100% interest.</p>

Sale of Ofpay was not completed through a formal sales process	<p>The proposed 2017 Ofpay Sale has not been completed through a formal sale process which has the possibility of competitive bidding (assuming sufficient interested parties). A formal sale process, while not guaranteed, may potentially attract buyers offering a higher price for the purchase of Ofpay. By accepting the 2017 Ofpay Sale, 99 Wuxian shareholders will have no exposure to any superior future offers that may come from other parties.</p> <p>99 Wuxian discussed the potential sale of its 40% interest in Ofpay with two other Chinese domestic parties. There were no other firm offers forthcoming and indicative valuation discussions were below the offer received from Ms Zhang. There is no guarantee that a formal sales process would have resulted in any superior offers.</p> <p>While there was no formal sales process, the Directors negotiated the price for the sale of the 40% interest in Ofpay having regard to a separate arm's length transaction negotiated between the Original Vendors and the Investors.</p>
Potential tax liability associated with the sale of interest in Ofpay	<p>99 Wuxian may incur a tax liability (equal to the RMB40 million capital gain on the sale of Ofpay multiplied by the PRC tax rate of 25%) in circumstances where the Zhang Ofpay Sale is approved and the 2017 Ofpay Sale proceeds.</p> <p>The potential tax liability associated with the sale of Ofpay may be deferred in circumstances where the Zhang Ofpay Sale is not approved and the 2017 Ofpay Sale does not proceed.</p>

The Resolutions

4. Resolution 1 : The 2017 Ofpay and the Zhang Ofpay Sale

4.1 Overview

For detail on the 2017 Ofpay Sale and the Zhang Ofpay Sale, please refer to **paragraphs 1, 2 and 3** (inclusive).

4.2 The Resolution

Under this Resolution, the Board seeks Shareholder approval, for the purpose of satisfying:

- ASX Listing Rule 10.1 to approve the sale of a 'substantial asset' (40% of the shares in Ofpay) to a related party; and
- ASX Listing Rule 11.4 to approve the sale of a 'major asset' (100% of the shares in Ofpay) given, at the time of the disposal, the Company is aware that Amalisa Zhang, the Original Vendors and the Investment Group (**Buyers**) intend to issue or offer securities with a view to Ofpay becoming listed.

4.3 The law – ASX Listing Rule 10.1

ASX Listing Rule 10.1

ASX Listing Rule 10.1 provides that an entity must ensure that neither it, nor any of its child entities, acquires a substantial asset from, or disposes of a substantial asset to, amongst other persons, a related party of the entity, a substantial holder or one of its associates, without the prior approval of the holders of the entity's ordinary shareholders.

Substantial asset

For the purposes of ASX Listing Rule 10.1, an asset is substantial if its value, or the value of the consideration for it is, or in ASX's opinion is, 5% or more of the equity interests of the entity as set out in the latest accounts given to ASX under the ASX Listing Rules.

The equity interests of the Company as defined in the ASX Listing Rules and as set out in the latest accounts given to ASX under the ASX Listing Rules (being for the half year ended 30 June 2016) was RMB344,144,657 (A\$65,248,115). 5% of this amount is RMB17,207,232 (A\$3,262,406).

As the value of the Zhang Ofpay Sale Price (RMB200 million (A\$37.9 million) is more than 5% of the equity interests of the result as set out in the accounts given to the ASX under the ASX Listing Rules, the Ofpay Sale will result in the divestment of a substantial asset to the acquirer.

Related party

For the purposes of ASX Listing Rule 10.1, a related party of an entity includes, amongst other persons, directors of a public company and an entity controlled by directors of a public company (unless that entity is also controlled by the public company).

Amalisa Zhang is a related party as she is a director of the Company.

Requirement for shareholder approval

As a result of the above conclusions, the completion of the Ofpay Sale will result in the divestment of a substantial asset to a related party and the Company is therefore required to see Shareholder approval under ASX Listing Rule 10.1.

The Independent Expert's Report

ASX Listing Rule 10.10.2 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the transaction from an independent expert.

The Independent Expert's Report set out in Annexure A sets out a detailed independent examination of the Ofpay Sale to enable non-associated Shareholders and CDI Holders to assess the merits and decide whether to approve the Ofpay Sale.

To the extent that it is appropriate, the Independent Expert's Report enclosed with this Notice of Meeting sets out further information with respect to the Ofpay Sale and concludes that it is not fair but reasonable to the non-associated Shareholders and CDI Holders.

Shareholders and CDI Holders are urged to carefully read the Independent Expert's Report to understand its scope, the methodology of the valuation and the source of information and assumptions made.

4.4 The law – ASX Listing Rule 11.4

ASX Listing Rule 11.4

ASX Listing Rule 11.4 provides that, subject to Listing Rule 11.4.1, a listed entity must not dispose of a major asset if, at the time of the disposal, it is aware that the buyer intends to issue or offer securities with a view to becoming listed (e.g. where the buyer intends to undertake an initial public offering and list on the ASX, Shanghai Exchange or Shenzhen Exchange).

Listing Rule 11.4.1 relevantly provides that Listing Rule 11.4 does not apply where:

- the securities to be issued or offered by the buyer, except those to be retained by the seller, are offered pro rata to the seller's shareholders, or in another way that, in ASX's opinion, is fair in all the circumstances; or
- the seller's shareholders approve of the disposal without the offer referred to in (a) above being made, and the notice of meeting includes a voting exclusion statement.

The Buyers do not intend to offer shares in Ofpay to the Company's CDI Holders and Shareholders.

Accordingly, the Company is seeking Shareholder approval under Listing Rules 11.4.1(b) to enable the Company to sell its interest in Ofpay under the Investment Group Ofpay Sale Agreement without the Buyers making an offer of shares to Shareholders and CDI Holders in satisfaction of Listing Rules 11.4.1(a).

Major asset

Pursuant to ASX Guidance Note 13, ASX treats an asset as a major asset if:

- the value of, or the value of the consideration for, the asset represents 20% or more of consolidated equity interests;
- the value of, or the value of the consideration for, the asset represents 15% or more of consolidated assets;
- the revenue attributable to the asset represents 15% or more of consolidated operating revenue;
- the market capitalisation of the acquiring entity is 20% or more of the market capitalisation of the selling entity.

Based on the financial information provided in the Independent Expert's Report, Ofpay constitutes a major asset of the Company.

Requirement for shareholder approval

The Company is aware of the intention of the Buyers to list Ofpay on either the Shanghai Exchange or the Shenzhen Exchange before 31 December 2021 (**Potential Listing**) as a result of the:

- Post completion terms in the Investment Group Ofpay Sale Agreement which refer to the Potential Listing (see detail in **paragraph 1.6**); and
- The Resolution of the Board of Shenzhen Capital Group Co., Ltd (an entity within the Investment Group) dated 26 October 2016 which provides that if the Potential Listing does not occur by 31 December 2021, the Investment Group may require Amalisia and the Original Vendors and Ofpay's employee shareholders to buy back the shares in Ofpay that they acquired under the Investment Group Ofpay Sale Agreement (**Buy-Back**). This Buy-Back is detailed in the Supplementary Agreement of Investment Agreement dated December 2016.

99 Wuxian makes no comment regarding the enforceability of the Buy-Back provisions.

Accordingly, the Company is seeking Shareholder approval under Listing Rules 11.4.1(b) to enable the Company to sell a major asset (being its interest in Ofpay under the Investment Group Ofpay Sale Agreement) without the Buyers making an offer of shares to Shareholders and CDI Holders in satisfaction of Listing Rules 11.4.1(a).

Information required by ASX Guidance Note 13

ASX Guidance Note 13 provides guidance in regards to ASX Listing Rule 11.4. The approval of ordinary security holders should be obtained on an informed basis. In general, ASX would expect that the notice of meeting would include all material details about the following:

Information required by ASX Guidance Note 13	Detail
The nature of the asset being disposed.	Please see the information provided in paragraph 1.2 .
The value of the asset, including its value as shown in the listed entity's latest financial statements, its current value and the asset's contribution to the entity's recent past and current earnings.	Please see the detail provided in the Independent Expert's Report
The consideration for the asset.	Please see the detail provided in paragraph 1.3 .
The issue price for securities in the acquiring entity.	The acquiring entities are in the main individuals.
All material agreements relevant to the disposal of the asset.	Please see the summary of the terms of the Investment Group Ofpay Sale Agreement provided in paragraph 1.6 .

Why disposal of the asset is in the listed entity's best interests.	Please see the detail provided in paragraph 3.1 .
The listed entity's future activities and direction without the asset.	Please see the detail provided in paragraph 2.6 .
Voting exclusion statement	A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.

4.5 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on or not to vote in favour of Resolution 1 (being information that is known to the Directors which has not previously been disclosed to Shareholders and CDI Holders) other than as set out in this Circular.

4.6 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

4.7 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

4.8 Voting requirements

Resolution 1 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.

5. Resolution 2 : Ratification of documents and approval of the 2017 Ofpay Sale, the Zhang Ofpay Sale and the Zhang Loan Repayment

5.1 Overview

For detail on the Zhang Ofpay Sale and Zhang Loan Agreement and the overall 2017 Ofpay Sale, please refer to **paragraphs 1, 2 and 3** (inclusive).

5.2 Resolution

This Resolution is required under Hong Kong law.

This Resolution seeks Shareholder approval of:

- the Investment Group Ofpay Sale Agreement and the Second Supplemental Agreement and the transactions contemplated thereunder, including the 2017 Ofpay Sale; and
- the Zhang Loan Agreement and the transactions contemplated thereunder, including the Zhang Vendor Finance to Amalisia Zhang from the Company.

5.3 The law

Section 500 and 496 of the Companies Ordinance

Section 500 of the Companies Ordinance prohibits a company incorporated in Hong Kong from making a loan to its directors unless prior shareholders approval is obtained in accordance with section 496 of the Companies Ordinance.

Section 496 of the Companies Ordinance requires that

- the shareholders' approval must be obtained before the transaction is entered into;
- a memorandum setting out the following matters must be sent to all shareholders together with the notice of general meeting:
 - the nature of the transaction to be approved by the resolution;
 - the amount of the loan;
 - the purpose for which the loan is required; and
 - the extent of the company's liability under any transaction connected with the loan; and
- in the case of public companies, such as 99 Wuxian, disinterested shareholders' approval is required and the vote of the Director to whom the loan is made will be disregarded.

Accordingly, the Company is seeking Shareholder approval under section 496 of the Companies Ordinance to enable the Company to make the Zhang Vendor Finance secured by the Grand Ease Security.

5.4 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on or not to vote in favour of Resolution 2 (being information that is known to the Directors which has not previously been disclosed to Shareholders or CDI Holders) other than as set out in this Circular.

5.5 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

5.6 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

5.7 Voting requirements

Resolution 2 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.

6. Resolution 3 : Ratification of documents and approval of the Grand Ease Security

5.1 Overview

For detail on the Grand Ease Security and the Grand Ease Security Agreement, please refer to **paragraphs 1, 2 and 3** (inclusive).

5.2 Resolution

This Resolution is required under Hong Kong law.

This Resolution seeks Shareholder approval of the Grand Ease Security Agreement and the transactions contemplated thereunder, including the charge over 255,300,969 Shares in 99 Wuxian held by Grand Ease (being all Shares in 99 Wuxian held by Grand Ease) securing the Zhang Vendor Finance and the buy-back of such charged shares by 99 Wuxian in the event of enforcement of the Grand Ease Security.

5.3 The law

According to section 244 of the Companies Ordinance, a company buying back its own shares may do so if the contract (i.e. the Grand Ease Security Agreement) is authorised in advanced by special resolution in accordance with sections 245 and 246 of the Companies Ordinance.

Section 245 of the Companies Ordinance requires that:

- a copy of the Grand Ease Security Agreement or a memorandum setting out its terms must be made available to all shareholders by being made available for inspection by shareholders of the company at the company's registered office or at a prescribed place for a period of not less than 15 days ending on the date of the meeting and at the meeting;
- a memorandum referred to above must include the names of shareholders holding shares to which the proposed contract relates;
- a copy of the Grand Ease Security Agreement made available must have annexed to it a memorandum specifying any of those names of shareholders holding shares to which the Grand Ease Security Agreement relates that do not appear in the Grand Ease Security Agreement.

Section 246 of the Companies Ordinance prohibits a shareholder whose shares are to be bought back under the resolution from voting.

Section 257 of the Companies Ordinance allows a company to make a payment in respect of a buy-back of its own shares out of the company's distributable profits or capital (in accordance with sections 258 to 262 of the Companies Ordinance).

According to section 269 of the Companies Ordinance, shares bought back are to be regarded as cancelled on buy-back and a company must reduce the amount of its share capital or profits depending on the payment for buy-back.

Accordingly, the Company is seeking Shareholder approval by way of special resolution under section 244 of the Companies Ordinance to enable the Company to enter into the Grand Ease Security and enforce the Grand Ease Security by way of buy-back of its shares.

5.4 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on or not to vote in favour of Resolution 3 (being information that is known to the Directors which has not previously been disclosed to Shareholders or CDI Holders) other than as set out in this Circular.

5.5 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

5.6 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

5.7 Voting requirements

Resolution 3 of the General Meeting is a special resolution and so requires the approval of more than 75% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.