

ASX and Media Release

16 May 2017

Mr Chris Dobbs
Adviser, Listings Compliance
ASX Compliance Pty Ltd
Level 6, 20 Bridge Street
Sydney NSW 2000

Dear Chris,

RE: APPENDIX 4C QUERY FOR THE PERIOD ENDED 31 MARCH 2017

We refer to your letter dated 12 May 2017. Please note our response to your queries in the order of each questions mentioned in the above letter.

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

The company does not expect it will continue to have negative operating cashflow for the time being. Based on current operating data, the Company reasonably expects to have positive net operating cash flow for Q2. The Company has approximately RMB100 million receivables from banks and insurance companies that will be turned into cash inflow by the end of Q2. Currently, the Company has a cash balance of RMB18 million.

The Company carefully manages its operating cash flow while expanding the business. In 2014, the Company generated RMB8.2 billion GTV with net operating cash flow of negative RMB115 million. In 2016, the Company generated RMB14.2 billion GTV and net operating cash flow of negative RMB44 million.

The Company has large scale operating cash inflow and outflow since the transaction volume is large. Most of the transactions are cash payment transactions which incur simultaneous cash inflow and outflow. Appendix 4C only sets the cash outflow estimation section for the Company to input. For Q2, the Company expects maximum operating cash outflow to be RMB5.1 billion, maximum operating cash inflow to be RMB5.3 billion, and the net operating cash flow to be positive.

2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be

99 Wuxian Limited

Australian Registered Body Number 164 764 729
27/F, Alexandra House 18 Chater Road, Central Hong Kong
www.99wuxian.com

successful?



The Company has taken and is taking steps to raise more cash to fund its operations.

- The Company has successfully obtained factoring service from two factoring companies with total credit of RMB40 million as at the end of Q1. As the market develops in China, the Company expects more financial institutions to provide such factoring services to the Company.
- Currently the Company is also in discussions regarding debt financing and equity financing. These discussions are at an advanced stage, however a definitive binding proposal has not yet been agreed.

3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. Further to the responses to Question 1) and 2) above, the mobile commerce market in China is significant and growing quickly with the transition from personal computers to mobile. This provides the Company with a significant market opportunity. The Company is aware of balancing the business growth objectives with financial and cash flow management.

4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

The Company confirms that it is in compliance with Listing Rule 3.1.

5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

The Company confirms that its responses to the questions above have been authorized and approved in accordance with its published continuous disclosure policy and Board procedures.

The Company believes that its financial condition warrant the continued quotation of its securities and continued listing and is in compliance with Listing Rule 12.2.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ross Benson'.

Chairman

Ross Benson

99 Wuxian Limited

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12 May 2017

Quincent Leung
99 Wuxian Limited
27/f Alexandra House
18 Charter Road, Central Hong Kong

By email: qlleung@investorlink.com.au

Dear Quincent,

99 Wuxian Limited ("the Company"): Appendix 4C Query

I refer to the Company's Appendix 4C quarterly report for the period ended 31 March 2017 lodged with ASX Market Announcements Platform and released on 28 April 2017 (the "Appendix 4C").

ASX notes that the Company has reported:

- negative net operating cash flows for the quarter of RMB 39,855,510;
- cash at the end of the quarter of RMB 19,084,741; and
- estimated cash outflows for the next quarter of RMB 5,053,000,000.

It is possible to conclude, based on the information in the Appendix 4C, that if the Company were to continue to expend cash at the rate indicated by the Appendix 4C, the Company may not have sufficient cash to continue funding its operations. In view of that, ASX asks the Company to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Company expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Company taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Company expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that the Company is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that the Company considers may be relevant to ASX forming an opinion on whether the Company is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **10:00 am AEST on Wednesday 17 May 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Company's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at **chris.dobbs@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

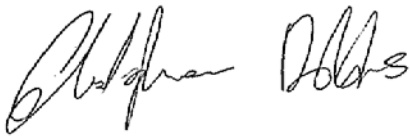
- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Christopher Dobbs'.

Christopher Dobbs
Adviser, Listings Compliance
Ph: (02) 99227 0488