



ASX and Media Release

30 April 2019

Appendix 4C – March 2019 Quarterly Cash Flow Report

Hong Kong, 30 April 2019: 99 Wuxian, (ASX: NNW) (“99 Wuxian” or “the Company”) is pleased to provide its Appendix 4C quarterly cash flow report for the period ending 31 March 2019.

Operational performance¹

The Company had a cash balance of RMB 93.6 million at 31 March 2019, with net cash outflow for the quarter of RMB 12.0 million. The cash outflow was predominantly due to the investment on its business development which provided comprehensive services including M-commerce Marketing Solutions and Cloud Services to satisfy business partners’ evolving demands and generated more receivables in this quarter.

The Company is focusing on its core strengths, capabilities and established business partner network to deliver growth in revenue and improve profitability. The demand drivers from business partners in the Chinese market continue to be strong based on the evolving Chinese consumer market. The Company has confident that its business model represents an optimal risk / return participation in the Chinese market.

99 Wuxian will continuously execute the M-commerce Marketing Solutions and Cloud Services strategy. The Company will continually research and dialogue with business partners and their customers to ensure strong visibility to key needs and demands, broaden cooperation with both current and new business partners, enhance services and enrich product portfolio and mix based on the demands analysis, constantly monitor operational costs to ensure optimal operational efficiency, and provide best practice technology through its core competencies for business partners.

¹ Figures based on management accounts that have not been audited or reviewed.



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About 99 Wuxian Limited:

99 Wuxian, a M-commerce Marketing Solutions and Cloud Services Provider, takes technology as the core of strategy, creates a unique system and provides comprehensive solutions for the full business process from customer acquisition, marketing, customer activeness and engagement, customer incentives, customer retention and loyalty management, customer lifecycle extension.

• **M-Commerce Marketing Solutions** – Based on virtual products and big data analysis, offers comprehensive M-commerce marketing solutions, including 99 Mobile Marketplace, Business Costs Procurement Tools, Offline to Online Integration, Customer Behaviour Data Analysis and so on.

• **Cloud Services** – Provides scenario cloud services for business partners, channels and employees, including Online Insurance, Insurance Supply Chain Management, Employee Benefits, Offline to Online Integration, Loyalty Marketing Program Development, and so on.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

99 WUXIAN LIMITED

ABN

164 764 729

Quarter ended ("current quarter")

31 Mar 2019

Consolidated statement of cash flows	Current quarter RMB	Year to ended 31 Mar 2019 RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	2,278,087,717	2,278,087,717
1.2 Payments for		
(a) research and development	-1,299,163	-1,299,163
(b) product manufacturing and operating costs	-2,258,990,694	-2,258,990,694
(c) advertising and marketing	-16,535,957	-16,535,957
(d) leased assets	-	-
(e) staff costs	-17,082,446	-17,082,446
(f) administration and corporate costs	-7,846,030	-7,846,030
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	225,553	225,553
1.5 Interest and other costs of finance paid	-4,306,081	-4,306,081
1.6 Income taxes paid	-448,019	-448,019
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	-28,195,120	-28,195,120

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-127,615	-127,615
(b) businesses (see item 10)		

Consolidated statement of cash flows	Current quarter RMB	Year to ended 31 Mar 2019 RMB
(c) investments	-	-
(d) intellectual property	-650,943	-650,943
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-778,558	-778,558

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	44,500,000	44,500,000
3.6 Repayment of borrowings	-27,857,213	-27,857,213
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	16,642,787	16,642,787

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	105,607,114	105,607,114
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-28,195,120	-28,195,120
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-778,558	-778,558

Consolidated statement of cash flows		Current quarter RMB	Year to ended 31 Mar 2019 RMB
4.4	Net cash from / (used in) financing activities (item 3.10 above)	16,642,787	16,642,787
4.5	Effect of movement in exchange rates on cash held	365,659	365,659
4.6	Cash and cash equivalents at end of quarter	93,641,882	93,641,882

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter RMB	Previous quarter RMB
5.1	Bank balances	93,641,882	105,607,114
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	93,641,882	105,607,114

6. Payments to directors of the entity and their associates

- | | Current quarter
RMB |
|--|--------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | 784,881 |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

6.1 refers to directors fee and salary for the period.

7. Payments to related entities of the entity and their associates

- | | Current quarter
RMB |
|--|--------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | 43,502,523 |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

7.1

Payment to Jiangsu Ofpay E-commerce Limited ("Ofpay") for goods supplied to the Company: RMB 43,334,595.

Payment to Investorlink Corporate Limited for professional services provided to the Company: RMB 167,928.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
8.1 Loan facilities	197,750,000	138,430,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

99 Wuxian entered into business factoring contracts, bank and other loan funding agreements to supplement its working capital. 99 Wuxian has pledged its accounts receivables to the factoring companies to guarantee the repayment. Please see details of the facilities as below:

Lender: Shenzhen Qianhaiyibainian Business Factoring Co., Ltd.

Credit Limit: RMB 10,000,000 Interest rate: 16.5% per annum

Credit Limit: RMB 15,000,000 Interest rate: 17% per annum

Credit Limit: RMB 15,000,000 Interest rate: 18% per annum

Lender: Huarui Bank

Credit Limit: RMB 100,000,000

Interest rate: 5.75% per annum

Secured by: 99 Wuxian's accounts receivables

Lender: Huarui Bank

Credit Limit: RMB 42,750,000

Interest rate: 4.35% per annum

Secured by: 99 Wuxian's accounts receivables

Lender: Wang Guang Xin

Credit Limit: RMB 15,000,000

Interest rate: 8% per annum

9. Estimated cash outflows for next quarter	RMB
9.1 Research and development	-1,000,000
9.2 Product manufacturing and operating costs	-4,000,000,000
9.3 Advertising and marketing	-20,000,000
9.4 Leased assets	-
9.5 Staff costs	-15,000,000
9.6 Administration and corporate costs	-7,000,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	-4,043,000,000

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date: ...30/04/2019.....

Print name:Ross Benson.....

Notes

1. The definitions in, and provisions of, IAS 7: Statement of Cash Flows applies to this report except for any additional disclosure requirements requested by IAS 7 that are not already itemised in this report.
2. The Company has adopted accounting policies that comply with International Financial Reporting Standards (IFRS) and the figures in this report are prepared in accordance with all applicable IFRS. The figures disclosed in the report are in Chinese Renminbi (RMB), the official currency of The People's Republic of China, which is the functional currency of the Company.
3. 99 Wuxian has entered into business factoring contracts, bank and other loan funding agreements with several lenders to supplement its working capital. 99 Wuxian has pledged its accounts receivables to guarantee the repayment. More details about the financing facilities are disclosed in Item 8.4.
4. Equity-linked loans
As at 31 March 2019, equity-linked loans from Investorlend, Zhang Wen, Xia Dongpu, and Liu Nian had been repaid in full.

5. 99 Wuxian continues to maintain a focussed and disciplined approach to cash flow management and growth of the reward point redemption business whilst actively pursuing a range of financing options to support the growth of this business segment over the longer term.

6. Item 9 Estimated cash outflows for next quarter

Product manufacturing and operating costs for the next quarter are expected to be RMB 4.0 billion. Counterbalancing these costs, Receipts from customers is estimated to be RMB 4.05 billion yielding a gross margin of RMB 50 million. Other costs will approximate RMB 43 million, resulting in an estimated operating cash surplus of RMB 7 million.