

## ASX and Media Release

28<sup>th</sup> October 2019

# Appendix 4C – September 2019 Quarterly Cash Flow Report

**Hong Kong, 28<sup>th</sup> October 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 30 September 2019.

## Operational performance<sup>1</sup>

The Company had a cash balance of RMB 80.84 million in the quarter ended September 30, 2019. The cash provided by operating activities improved from RMB -15.72 million in the second quarter to RMB 27.75 million in the third quarter. The positive cash flow from operating activities also contributed to the turnaround of net cash flow for this quarter, which reached the amount of RMB 3.06 million. The Company is pleased with the progress in operational efficiency.

## 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 scene-based and customized cloud solutions and 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.

## For further information, please contact:

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<sup>1</sup> Figures based on management accounts that have not been audited or reviewed.

## 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")**

30 Sep 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter RMB</b>	<b>Year to ended 30 Sep 2019 RMB</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,890,592,172	5,979,832,952
1.2 Payments for		
(a) research and development	-1,514,468	-4,792,723
(b) product manufacturing and operating costs	-1,825,522,159	-5,868,505,707
(c) advertising and marketing	-12,601,077	-45,293,639
(d) leased assets	-	-
(e) staff costs	-13,952,311	-45,219,048
(f) administration and corporate costs	-6,477,890	-21,361,279
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	335,291	601,903
1.5 Interest and other costs of finance paid	-2,738,696	-9,824,353
1.6 Income taxes paid	-372,098	-1,604,095
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>27,748,764</b>	<b>-16,165,989</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-149,777	-338,424
(b) businesses (see item 10)		

<b>Consolidated statement of cash flows</b>		<b>Current quarter RMB</b>	<b>Year to ended 30 Sep 2019 RMB</b>
	(c) investments	-	-
	(d) intellectual property	-282,040	-1,067,428
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-431,817</b>	<b>-1,405,852</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	5,000,000	49,500,000
3.6	Repayment of borrowings	-29,250,000	-57,107,213
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-24,250,000</b>	<b>-7,607,213</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	77,764,795	105,607,114
4.2	Net cash from / (used in) operating activities (item 1.9 above)	27,748,765	-16,165,989
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-431,817	-1,405,852

Consolidated statement of cash flows		Current quarter RMB	Year to ended 30 Sep 2019 RMB
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-24,250,000	-7,607,213
4.5	Effect of movement in exchange rates on cash held	9,677	413,360
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>80,841,420</b>	<b>80,841,420</b>

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	80,841,420	77,764,795
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>80,841,420</b>	<b>77,764,795</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter RMB
922,061
-

6.1 refers to directors fee and salary for the period.

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

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter RMB
70,948,335
-

7.1  
Payment to Jiangsu Ofpay E-commerce Limited ("Ofpay") for goods supplied to the Company: RMB 70,475,877.  
Payment to Investorlink Corporate Limited for professional services provided to the Company: RMB 472,458.

8. <b>Financing facilities available</b> <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	173,500,000	114,180,000
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 has entered into business factoring contracts with Shenzhen Qianhaiyibainian Business Factoring Co., Ltd to supplement its working capital. 99 Wuxian has pledged its accounts receivables to the factoring company and lenders to guarantee the repayment. Please see details of the facilities as below:

Lender: Shenzhen Qianhaiyibainian Business Factoring Co., Ltd.

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

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

Secured by: 99 Wuxian's accounts receivables

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 28,500,000

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. <b>Estimated cash outflows for next quarter</b>	RMB
9.1 Research and development	-1,000,000
9.2 Product manufacturing and operating costs	-2,000,000,000
9.3 Advertising and marketing	-18,000,000
9.4 Leased assets	-
9.5 Staff costs	-14,000,000
9.6 Administration and corporate costs	-7,000,000
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>-2,040,000,000</b>

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: ...28 October 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. 99 Wuxian continues to maintain a focussed and disciplined approach to cash flow management and growth of the cloud delivered services whilst actively pursuing a range of financing options to support the growth of this business segment over the long term.

### 5. Item 9 Estimated cash outflows for next quarter

The cash outflows for the next quarter including product manufacturing and operating costs are expected to be RMB 2.04 billion. Counterbalancing these costs, Receipts from customers is estimated to be RMB 2.06 billion