

ASX and Media Release

22nd January 2019

Appendix 4C – December 2019 Quarterly Cash Flow Report

Hong Kong, 22nd January 2020: 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 December 2019.

Operational performance¹

The Company had a cash balance of RMB 108.33 million in the quarter ended December 31, 2019. The net cash generated from operating activities maintained the growth from the third quarter and reached RMB 83.39 million in the fourth quarter. The cash inflow from operating activities provided an increase in net cash flow for this quarter from RMB 3.06 million in the third quarter to RMB 27.47 million in the fourth quarter . The Company is pleased with the progress in operation efficiency improvement.

In the last quarter of the 2019, the Company has continued to deliver comprehensive services to our business partners by focusing on its core strengths, capabilities and established business partner network. The Company is also in discussions with Australian based business partners seeking to participate in Chinese consumer demands offline and online in both Chinese and the Australian markets.

99 Wuxian will continue to execute the M-commerce Marketing Solutions and Cloud Services strategy. The Company will also maintain a focus on research and dialogue with business partners and their customers to ensure strong visibility to key needs and demands..

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

About 99 Wuxian Limited:

99 Wuxian, is an M-commerce Marketing Solutions and Cloud Services Provider. We utilise our core technology strengths to create unique systems that provide our business partners with the capability to engage, enhance and grow their customer bases. These systems provide processes for customer acquisition, marketing, customer activeness and engagement, customer incentives, customer retention and loyalty management and 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 customized cloud solutions and services for business partners, channels and employees, including Online Insurance, Insurance Supply Chain Management, Employee Benefits, Offline to Online Integration and Loyalty Marketing Program Development.

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 Dec 2019

Consolidated statement of cash flows	Current quarter RMB	Year to ended 31 Dec 2019 RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	1,656,934,892	7,636,767,845
1.2 Payments for		
(a) research and development	-1,120,080	-5,912,804
(b) product manufacturing and operating costs	-1,539,248,086	-7,407,753,793
(c) advertising and marketing	-10,216,556	-55,510,195
(d) leased assets	-	-
(e) staff costs	-14,463,076	-59,682,124
(f) administration and corporate costs	-7,129,642	-28,490,922
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	650,058	1,251,961
1.5 Interest and other costs of finance paid	-1,907,761	-11,732,114
1.6 Income taxes paid	-106,489	-1,710,584
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	83,393,260	67,227,270

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-2,666,212	-3,004,636
(b) businesses (see item 10)		

Consolidated statement of cash flows		Current quarter RMB	Year to ended 31 Dec 2019 RMB
	(c) investments	-	-
	(d) intellectual property	-574,690	-1,642,118
	(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	-3,240,902	-4,646,754

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	39,000,000	88,500,000
3.6	Repayment of borrowings	-91,680,000	-148,787,213
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	-52,680,000	-60,287,213

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	80,841,420	105,607,114
4.2	Net cash from / (used in) operating activities (item 1.9 above)	83,393,260	67,227,270
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-3,240,902	-4,646,754

Consolidated statement of cash flows		Current quarter RMB	Year to ended 31 Dec 2019 RMB
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-52,680,000	-60,287,213
4.5	Effect of movement in exchange rates on cash held	11,304	424,665
4.6	Cash and cash equivalents at end of quarter	108,325,082	108,325,082

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	108,325,082	80,841,420
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)	108,325,082	80,841,420

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
779,434
-

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
34,755,285
-

7.1
Payment to Jiangsu Ofpay E-commerce Limited ("Ofpay") for goods supplied to the Company: RMB 34,623,180.
Payment to Investorlink Corporate Limited for professional services provided to the Company: RMB 132,105.

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	161,500,000	61,500,000
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 contract with Xinghewan Business Factoring Co., Ltd in 2019 Q4 and continually corporated with other factoring companies 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 15,000,000 Interest rate: 18% 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 9,500,000
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


Lender: Xinghewan Business Factoring Co., Ltd.
Credit Limit: RMB 7,000,000
Interest rate: 15% 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	-2,000,000,000
9.3	Advertising and marketing	-12,000,000
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)	
9.8	Total estimated cash outflows	-2,034,000,000

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: ...22 January 2020.....

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 2.03 billion. Counterbalancing these costs, receipts from customers is estimated to be RMB 2.05 billion, which expected net cash inflow will reach RMB 20 million.