

ASX and Media Release

29th April 2020

Appendix 4C – March 2020 Quarterly Cash Flow Report

Hong Kong, 30th April 2020: 99 Technology, ASX: NNT, (formerly known as “99 Wuxian Limited”, ASX: NNW). 99 Technology (or “the Company”) is pleased to provide its Appendix 4C quarterly cash flow report for the period ending 31 March 2020.

Cash flow commentary¹

The Company held cash balances of RMB 89.94 million at the close of Q1 2020, an overall net cash outflow for the quarter of RMB 18.38 million. This reduction resulted from a net reduction in borrowings of RMB 21.5 million and to a lesser extent a decline in business volume and delays in customer receipt collection. The Company generated RMB 3.13 million net cash from usual activities under a Covid-19 operationally affected market.

In Q1 2020, with the global outbreak of COVID-19, the Chinese Government has taken a series of strict measures to control the infection, including the lockdown of the cities, restriction of access, etc. As a result of this process, inevitably demand fell in all markets causing a plummet in consumption and production. However, despite the unfavorable market conditions, the Company made every effort to ensure the provision of the products and services. With the alleviation of COVID-19 restrictions, the Company is expecting the market to rebound and business to recover over the course of the year.

Item 6.	Payments to related parties of the entity and their associates
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Cash flows from operating activities)
6.2	Aggregate amount of payments to related parties and their associates included in item 2 (Cash flows from investing activities)

The total amount in Item 6.1 includes: RMB 96,260 paid to Investorlink Corporate Limited for professional services.

The above announcement was authorized by the Board of Directors of NNT.

About 99 Technology Limited:

99 Technology, a customer engagement technology and solutions provider, offers technology as the core of strategy, creates a unique system and provides comprehensive solutions for the whole business process from customer acquisition, marketing, customer activeness and engagement, customer incentives, customer retention and loyalty management, customer lifecycle extension.

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

- **Mobile Solutions¹**, based on virtual products and big data analytics, offers comprehensive M-commerce marketing services, including 99 Mobile Marketplace, Business Costs Procurement Tools, Offline to Online Marketing Integrations, and Customer Behavioural Data Analysis.
- **Cloud Delivered Solutions²**, provides scene-based and customized cloud solutions and services for business partners, distribution channels and employees, including Rewards Redemptions, Online Insurances, Insurance Supply Chain Managements, Employee Benefits, Loyalty Marketing Programs and so on.

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¹ Mobile Solutions were previously called Mobile Commerce Marketing Solutions

² Cloud Delivered Solutions were previously called Cloud Services

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

99 TECHNOLOGY LIMITED (FORMERLY KNOWN AS 99 WUXIAN LIMITED)

ABN

164 764 729

Quarter ended ("current quarter")

31 Mar 2020

Consolidated statement of cash flows		Current quarter RMB	Year to date 31 Mar 2020 RMB
1. Cash flows from operating activities			
1.1 Receipts from customers		1,497,381,884	1,497,381,884
1.2 Payments for			
(a) research and development		-954,080	-954,080
(b) product manufacturing and operating costs		-1,461,230,385	-1,461,230,385
(c) advertising and marketing		-9,917,815	-9,917,815
(d) leased assets			
(e) staff costs		-15,919,113	-15,919,113
(f) administration and corporate costs		-3,921,766	-3,921,766
1.3 Dividends received (see note 3)			
1.4 Interest received		68,110	68,110
1.5 Interest and other costs of finance paid		-2,097,880	-2,097,880
1.6 Income taxes paid		-301,481	-301,481
1.7 Government grants and tax incentives		20,000	20,000
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		3,127,474	3,127,474
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) entities			
(b) businesses			
(c) property, plant and equipment			
(d) investments			
(e) intellectual property		-50,410	-50,410

Consolidated statement of cash flows		Current quarter RMB	Year to date 31 Mar 2020 RMB
2.2	(f) other non-current assets Proceeds from disposal of: (a) entities (b) businesses (c) property, plant and equipment (d) investments (e) intellectual property (f) 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	-50,410	-50,410

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	23,000,000	23,000,000
3.6	Repayment of borrowings	-44,500,000	-44,500,000
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	-21,500,000	-21,500,000

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	108,325,082	108,325,082
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,127,474	3,127,474
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-50,410	-50,410

Consolidated statement of cash flows		Current quarter RMB	Year to date 31 Mar 2020 RMB
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-21,500,000	-21,500,000
4.5	Effect of movement in exchange rates on cash held	39,211	39,211
4.6	Cash and cash equivalents at end of period	89,941,357	89,941,357

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	89,941,357	108,325,082
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)	89,941,357	108,325,082

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter RMB
96,260

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1

Payment to Investorlink Corporate Limited for professional services provided to the Company: RMB 96,260.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
7.1 Loan facilities	140,000,000	40,000,000
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	140,000,000	40,000,000

7.5 Unused financing facilities available at quarter end

100,000,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

99 Technology has entered into business factoring contracts with factoring companies to supplement its working capital. 99 Technology 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 35,000,000 Interest rate: 18% per annum

Lender: Huarui Bank

Credit Limit: RMB 100,000,000

Interest rate: 5.75% per annum

Secured by: 99 Technology's accounts receivables

Lender: Xinghe Business Factoring Co., Ltd.

Credit Limit: RMB 5,000,000

Interest rate: 15% per annum

8. Estimated cash available for future operating activities	RMB
8.1 Net cash from / (used in) operating activities (Item 1.9)	3,127,474
8.2 Cash and cash equivalents at quarter end (Item 4.6)	89,941,357
8.3 Unused finance facilities available at quarter end (Item 7.5)	100,000,000
8.4 Total available funding (Item 8.2 + Item 8.3)	189,941,357
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	61

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity 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?

Answer:

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

Answer:

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.

Date: 29 April 2020.....



Authorised by: ...Ross Benson.....
(Name of body or officer authorising release)

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 Technology has entered into business factoring contracts, bank and other loan funding agreements with several lenders to supplement its working capital. 99 Technology has pledged its accounts receivables to guarantee the repayment. More details about the financing facilities are disclosed in Item 7.
4. 99 Technology 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.