

## ASX Release

30<sup>th</sup> April 2020

# Resilient Q1-2020 result and COVID-19

**Hong Kong, 30<sup>th</sup> April 2020:** 99 Technology, ASX: NNT, (formerly known as “99 Wuxian Limited”, ASX: NNW). 99 Technology (or “the Company”) is pleased to provide calendar 2020’s first quarter (“Q1-20”) Activity Report.

## Financial Performance:

The financial performance of the Company for Q1-2020 was impacted by the COVID-19 pandemic. The company can report revenue for Q1-2020 of AUD 8.43 million (RMB 38.61 million). This represents a decline of 34.03% compared with Q1-2019. The gross profit for Q1-2020 was AUD 7.45 million (RMB 34.15 million), a decline of 19.80% compared with Q1-2019.

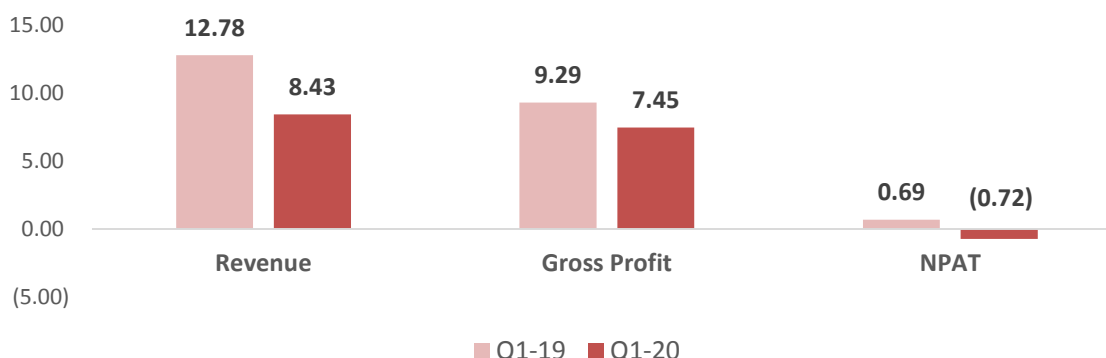
China market research\* estimates the impact of COVID -19 to the decline of revenue of small to medium Chinese enterprises for Q1-2020 of COVID-19 to be approximately negative 69.5%. Whilst the relative performance for the Company’s Q1-2019 is negative, we consider the results as an outperformance to China domestic comparatives. We also note that the timing impact of performance data in respect to COVID-19 for China enterprises is more evident in Q1-2020, verses western country counterparts where impact data will be more accurately reflected in Q2-2020.

The Company has seen a recovery of the decline rates in the above mentioned by reference to the comparison of January 2019 to March 2019 (Negative 2.72%) Sales data verses the January 2020 to March 2020 (Positive 21.35%) growth rates.

## Compared with Q1-2019

	RMB: mm	AUD: mm(*)		Change
Revenue:	38.61	8.43	↓	of 34.03% compared with Q1-19
Gross Profit:	34.15	7.45	↓	of 19.80% compared with Q1-19

## AUD(\*)millions



\*Average RMB to AUD during Q1 2020: RMB: 4.5813 = AUD: 1.00

(Source: <http://www.safe.gov.cn/>)

\* Internet Finance laboratory, Wudaokou School of finance, Tsinghua University published report of "Recovery of small and medium-sized micro enterprises under the epidemic situation -- Analysis Based on the management data of millions of small and medium-sized micro enterprises"

### Commentary

- **Impacted by the COVID-19, better performance than market average**

With the deteriorating domestic outbreak of COVID-19 in China, the local demands and productions plummeted. The consumers' consumptions have been significantly impacted. According to the data released by the National Bureau of statistics on 17th April 2020, China's GDP in the first quarter of 2020 down 6.8% year-on-year at comparable prices. 90.77% of enterprises nationwide suffered significantly revenue decreases in the first quarter due to the effect of COVID-19.

Refer to the report of "Recovery of small and medium-sized micro enterprises under the epidemic situation -- Analysis Based on the management data of millions of small and medium-sized micro enterprises" completed by Internet Finance laboratory, Wudaokou School of finance, Tsinghua University, the negative effect of COVID-19 will reduce the revenue of small and medium-sized enterprises by 69.5% in the first quarter.

- **Earlier Lunar Calendar Spring Festival, Company reopened in February**

The earlier Lunar Calendar Spring Festival in 2020 also impacted revenue in the first quarter. The majority of the Company's business partners are financial institutions. The Spring Festival is the low season for their marketing campaigns.

- **Government imposed work attendance impact**

Also, in order to restrict and limit the mobility of people so as to reduce the human-to-human transmission possibility of COVID-19, the Company's staff were restricted from office attendance until late February. During the restricted office attendance period the Company's Operational efficiency and productivity was impacted.

The Company is actively engaged in opportunities to recover the revenue decline and provide best-fit products and services to the business partners and their customers.

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

**About 99 Technology Limited:**

99 Technology, a customer engagement technology and solution 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.

- **Mobile Solutions<sup>1</sup>**, based on virtual products and big data analysis, offers comprehensive M-commerce marketing services, including 99 Mobile Marketplace, Business Costs Procurement Tools, Offline to Online Marketing Integrations, Customer Behaviour Data Analysis and so on.
- **Cloud Delivered Solutions<sup>2</sup>**, 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.

**For further information, please contact:**

99 Technology Limited  
Mr Ross Benson  
+61 418 254 548

99 Technology Limited  
Mr Henry Chen  
+86 186 1137 1515

<sup>1</sup> Mobile Solutions were previously called Mobile Commerce Marketing Solutions

<sup>2</sup> Cloud Delivered Solutions were previously called Cloud Services