

99 Wuxian delivers significant revenue and profit growth in FY2014

Hong Kong, 27 February 2015: 99 Wuxian, (ASX: NNW) (“99 Wuxian” or “the Company”), is pleased to announce its results for the 12 months ended 31 December 2014 with record results across key financial and operating metrics.

Highlights¹:

- Revenue of RMB 154.2 million (AUD 27.7 million) in FY2014, up from RMB 72.3 million (AUD 13.0 million) in FY2013²
- Statutory NPAT of RMB 7.0 million (AUD 1.3 million) in FY2014, up from RMB 2.7 million (AUD 0.5 million) in FY2013²
- Cash and cash equivalents of RMB 67.8 million (AUD 13.3 million) as at 31 December 2014
- Strong expansion of the platform with continued addition of high quality business partners and merchants
- Significant business diversification by entering new channels to market
- Total registered user base of 40.8 million as at 31 December 2014, up from 27.9 million as at 31 December 2013
- Record 33.3 million transactions on the platform
- Gross Transaction Value (GTV) of RMB 8.2 billion (AUD 1.5 billion), up from RMB 5.0 billion (AUD 0.9 billion) in the 12 months to 31 December 2013
- Average Transaction Value (ATV) of RMB 246 (AUD 44), up from RMB 197 (AUD 35) in the 12 months to 31 December 2013

Summary Financials:

(see Appendix A for AUD summary financials)

RMB, 31 December year end	FY2013 ²	FY2014	Growth
Revenue	72,336,601	154,225,315	113%
Gross profit	26,599,825	79,830,967	200%
<i>Gross margin (%)</i>	<i>36.8%</i>	<i>51.8%</i>	<i>1,499bps</i>
Underlying ³ EBITDA	7,890,798	17,665,716	124%
Statutory EBITDA	5,080,590	11,767,997	132%
Underlying PBT	6,233,657	14,835,296	138%
Statutory PBT	3,423,449	8,937,577	161%
Statutory NPAT	2,682,093	6,982,568	160%

¹ RMB translated into AUD using the average rate of AUD/RMB 5.5634 for the period 1 January 2014 to 31 December 2014. Cash and cash equivalents translated into AUD at the spot rate of AUD/RMB 5.0859 as at 31 December 2014.

² Period from 7 May 2013 (date of incorporation) to 31 December 2013.

³ Underlying information excludes exceptional items (exchange gains and losses). 99 Wuxian considers underlying information to be a more suitable indicator of operating performance. References to 'underlying' information are to non-IFRS financial information. Non-IFRS financial information has not been audited or reviewed. See Appendix A for further information.

Key Performance Metrics⁴:
(see Appendix A for AUD summary metrics)

RMB, except user and transaction numbers	CY2013 ⁵	CY2014	Growth
Registered users	27,918,751	40,790,721	46%
Transactions	25,203,593	33,307,476	32%
Gross Transaction Value (GTV)	4,956,691,244	8,189,624,814	65%
Average Transaction Value (ATV)	197	246	25%
Net commission rate	2.5%	2.0%	(46bps)

CEO Amalasia Zhang commented: “This is an excellent result for 99 Wuxian and reflects our focus on increasing the registered user base and user engagement.

Improvements in user engagement drove higher average transaction values, while we were able to grow the registered use base through the launch of a number of effective joint marketing campaigns with our business partners. We also successfully launched our first “99 Shopping Carnival” which was strongly supported by a number of our business partners and increased our registered user base by over 4 million. The combination of these factors resulted in strong GTV and revenue growth. We will work hard to achieve a better outcome in 2015.”

Commenting on the result, Chairman Ross Benson said: “99 Wuxian is well positioned for the next phase of its growth. The Company has a high level of operating leverage which will drive growth as the business continues to scale. A significant opportunity exists to grow the business by increasing penetration rates among business partner mobile banking users and further accessing the rewards redemption platforms of existing business partners.

99 Wuxian is uniquely positioned to capitalise on several massive market opportunities. The Chinese e-commerce market is experiencing strong growth which is being compounded by a secular shift towards m-commerce. 99 Wuxian operates the only mobile marketplace in China which enables users to convert reward points into online transactions. This market alone is an estimated opportunity of over USD 40 billion.”

Business Partner and Merchant Portfolio:

Business Partners:

The Company continues to attract high value business partners and expand its reach in China. The platform has established relationships with 60 of China’s leading financial institutions, telecommunications and insurance companies.

During 2014, the Company added 18 new business partners reflecting the continued adoption and success of the platform. In addition, the Company entered the insurance sector as a new channel to market and successfully launched its B2B rewards redemption platform with 4 contracted partners.

⁴ Key performance metrics have not been audited or reviewed.

⁵ CY2013 metrics based on management accounts for the period 1 January 2013 to 31 December 2013.

The Company is actively focussed on developing new channels to market while also continuing discussions with its existing business partners to onboard them onto the reward redemption platform, with testing currently being undertaken with a number of parties.

Merchants:

In order to maintain its high business standards for product and service quality, the Company maintains a select universe of 155 top-tier merchants who offer virtual and physical goods for purchase through 99 Wuxian's platform.

The Company continues to actively monitor and manage its product and merchant mix in response to evolving user demand. In 2014 the company successfully launched two new products (e-coupon and mobile gaming) with both products generating significant levels of uptake. The Company has a strong pipeline of new products for release over the medium term and will continue to optimize its product mix in order to increase commission rates.

Strategy and Outlook:

99 Wuxian has delivered exceptional growth, with record results achieved in 2014 across key financial and operating metrics. Looking forward, the Company is focused on exploiting its dominant position in B2B2C m-commerce in China and driving growth in FY2015 by continuing to capitalise on the significant market opportunity and positive growth trends in Chinese m-commerce.

99 Wuxian is focused on disciplined execution of its growth strategy by accelerating the growth of its registered user base and user engagement, expanding its rewards redemption platform across business partners, delivering revenue from new channels to market, expanding the platform to new business partners, new merchants and new products. The Company will also focus on implementing and developing its big data and offline / online strategies.

99 Wuxian expects to deliver strong growth in FY2015 and benefit from operating leverage as the business continues to scale.

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About 99 Wuxian Limited

99 Wuxian Limited is a leading Chinese m-commerce company that operates a mobile online market place called '99wuxian.com' in China, providing value-added application services to banks and vendors. The market place offers a variety of goods both physical and virtual, accessible to consumers via a mobile banking application available on a smart phone or tablet.

Appendix A

Summary Financials:

AUD	FY2013 ²	FY2014	Growth
Revenue	13,002,229	27,721,414	113%
Gross profit	4,781,217	14,349,313	200%
<i>Gross margin (%)</i>	36.8%	51.8%	1,499bps
Underlying EBITDA	1,418,341	3,175,345	124%
Statutory EBITDA	913,217	2,115,253	132%
Underlying PBT	1,120,476	2,666,588	138%
Statutory PBT	615,352	1,606,495	161%
Statutory NPAT	482,096	1,255,090	160%
Cash and cash equivalents	11,742,466	13,326,900	13%

Note: RMB translated into AUD using the average rate of AUD/RMB 5.5634 for the period 1 January 2014 to 31 December 2014. Cash and cash equivalents translated into AUD at the spot rate of AUD/RMB 5.0859 as at 31 December 2014.

Key Performance Metrics⁴:

AUD	CY2013 ⁵	CY2014	Growth
Gross Transaction Value (GTV)	890,946,408	1,472,053,926	65%
Average Transaction Value (ATV)	35	44	25%

Note: RMB translated into AUD using the average rate of AUD/RMB 5.5634 for the period 1 January 2014 to 31 December 2014.

Reconciliation of Statutory to Underlying Results:

RMB	FY2013 ²	FY2014
Statutory EBITDA	5,080,590	11,767,997
Other gains and losses	2,810,208	5,897,719
Underlying EBITDA	7,890,798	17,665,716
Depreciation and amortisation	(1,672,227)	(3,102,095)
Net interest expense	15,086	271,675
Underlying PBT	6,233,657	14,835,296