



Notice of Meeting & Explanatory Statement

99 Wuxian Limited ARBN164 764 729

This Notice of General Meeting and Explanatory Statement should be read in their entirety. If Shareholders or CDI Holders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

General Meeting of 99 Wuxian Limited ARBN 164 764 729, Hong Kong Company No. 1903220

To be held at: Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000
To be held on: 26 February 2016
Commencing: 10:30am (Sydney time) / 7:30am (Hong Kong time)

Important dates

Completion of issue of the Placement CDIs	3 February 2016
Date of this Circular	9 February 2016
CDI Voting Instruction Form Deadline for lodgement of proxy forms for the General Meeting	10:30am EST (Sydney time) 23 February 2016 7:30am (Hong Kong time) 23 February 2016
General Meeting Voting Entitlement Time (i.e. time for determining entitlements to vote at the General Meeting)	10:30am EST (Sydney time) 24 February 2016 7:30am (Hong Kong time) 24 February 2016
Proxy forms Deadline for lodgement of proxy forms for the General Meeting	10:30am EST (Sydney time) 24 February 2016 7:30am (Hong Kong time) 24 February 2016
General Meeting General Meeting convened	10:30am EST (Sydney time) 26 February 2016 7:30am (Hong Kong time) 26 February 2016
ASX Notification Company notifies ASX that the Resolutions have been passed at the General Meeting	26 February 2016
Completion of the Acquisition Agreement* Presently anticipated date of completion of the Acquisition Agreement	29 February 2016

*Dates are indicative only and subject to change.

IMPORTANT NOTICE

For the reasons set out in this Circular, the Directors who have no interest in the Proposed Transaction, recommend that Shareholders or CDI Holders approve the Resolutions to be considered at the General Meeting.

Important information and notices

Shareholders and CDI Holders are urged to read the Notice of General Meeting in full before making a decision on if and how to vote on the Resolutions to be considered at the General Meeting.

No investment or financial product advice

This is an important document which requires your attention. The Circular provides Shareholders and CDI Holders with information which will assist them in evaluating the Resolutions contained in the Notice of General Meeting. The Circular does not take into account your investment objectives, financial situation or particular needs. You should obtain independent financial, investment, legal and taxation advice before deciding whether or not to attend and vote at the General Meeting and on how to vote in respect of the Resolutions. The Company is not licensed to provide financial product advice in relation to 99 Wuxian Shares or 99 Wuxian CDIs or any other financial products.

Forward looking statements

Certain statements in the Circular relate to the future or are forward looking statements including (without limitation) in particular in connection with the acquisition of Jiangsu Ofpay e-commerce Limited (**Ofpay**). Forward looking statements may be identified by words such as 'expects', 'anticipates', 'intends', 'believes', 'seeks', 'estimates' or 'will' or words of similar meaning and include, without limitation, forward looking statements regarding the Company's financial position and performance and its business strategy, plans and objectives for future operations. These forward looking statements are based on the Company's current expectations about future events. Shareholders and CDI Holders are cautioned not to place undue reliance on forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the Company as well as matters pertaining to general economic conditions and the state of the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Company, any of its directors or officers or any person named in the Circular or involved in the preparation of the Circular makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. The forward looking statements in the Circular reflect views held only as at the date of the Circular.

ASX lodgement

The Circular (including the Notice of General Meeting and the Explanatory Statement) has also been provided to ASX. The ASX takes no responsibility for the contents of the Circular.

Other sources of information

In addition to the information set out in the Circular (including the Notice of General Meeting), you may wish to review information contained in the following other documents in deciding whether or not to attend and vote at the relevant Meetings and on how to vote in respect of the Resolutions:

- ASX announcements made by the Company;
- the 2015 Annual Report of the Company which is available on its website: www.99wuxian.com; and
- information regarding the Company which is available on its website: www.99wuxian.com.

A copy of any of the ASX announcements made by the Company and the 2015 Annual Report of the Company may also be obtained by contacting the Company. Note that none of the above documents forms part of the Circular or any accompanying document.

Supplementary information

The Company will issue a supplementary document to the Circular if it becomes aware of any of the following prior to the Meetings:

- a material statement in the Circular is false or misleading;
- a material omission from this Circular;
- a significant change affecting a matter in the Circular; or
- a significant new matter has arisen and it would have been required to be included in the Circular if known at the date of despatch of the Circular to Shareholders and CDI Holders.

Depending on the nature and the timing of the changed circumstances and subject to obtaining any relevant approvals, the Company may circulate and publish any supplementary document by posting the supplementary document on the Company's website, making an announcement to ASX or sending a copy of the supplementary document to Shareholders and CDI Holders.

Applicability of the Corporations Act

The Company is incorporated in Hong Kong and is registered as a "foreign company" under Chapter 5B of the Corporations Act. The Company is not subject to a number of provisions of the Corporations Act including chapter 6 of the Corporations Act and in particular:

- The 20% prohibition rule contained in section 606 of the Corporations Act; and
- The substantial shareholder notification provisions contained in section 671B of the Corporations Act.

The Company is not subject to the jurisdiction of the Australian Takeovers Panel.

Conversion Date

The currency conversions from RMB to A\$ have been calculated on the exchange rate of RMB 0.46877 to A\$1.00 on the Conversion Date.

Date

This Circular is dated 9 February 2016.

Letter from the Acting Chairman

Dear Shareholders and CDI Holders,

On 16 December 2015, 99 Wuxian Limited (**Company**) announced that its wholly owned subsidiary, Shanghai Handpal Information Technology Service Co., Ltd (**99Wuxian PRC**), had entered into an Acquisition Agreement to acquire a majority of the issued share capital of Jiangsu Ofpay e-commerce Limited (**Ofpay**) (**Acquisition**).

The Acquisition price is RMB160 million (A\$34.1 million) plus a further amount (up to a maximum of RMB297.4 million (A\$63.5 million) contingent upon certain performance targets of Ofpay being achieved over an 18 month period post completion (**Acquisition Price**). Based on a currency conversion as at Conversion Date, this is a maximum of A\$97.6 million.

The Acquisition Price is proposed to be partly funded by way of:

- existing capital;
- a private placement of CHESSE Depository Interests (**CDIs**);
- a loan from Grand Ease Holdings Limited (**Grand Ease**), an entity controlled by Ms Amalisia Zhang, a Director of 99 Wuxian to 99 Wuxian; and
- downstream funding by way of the sale of shares in Ofpay from 99 Wuxian PRC to a third party immediately post completion of the Acquisition.

(Funding Arrangements).

The Acquisition along with the Funding Arrangements are together referred to as the '**Proposed Transaction**'.

This Circular contains the Shareholder and CDI Holder approvals required to implement the Funding Arrangements detailed in the announcements lodged on the ASX on 16 December 2015.

The purpose of this Circular is to provide you with information to assist you in assessing the Funding Arrangements associated with the proposed Acquisition.

A brief snapshot of the Proposed Transaction is provided below:

- The proposed Acquisition of 100% of the issued capital of Ofpay from the Vendors in consideration for the following Acquisition Price:
 - RMB160 million (A\$34.1 million) (**First Payment**); and
 - Three deferred payments up to a total maximum of RMB 297.4 million (A\$63.5 million) contingent upon certain performance targets being achieved (**Deferred Payments**).
- Immediately after completion of the Acquisition, 99 Wuxian PRC will transfer 12.5% of the shares in Ofpay to a third party immediately post completion of the Acquisition in consideration for RMB 80 million (A\$17.1 million) (**Ofpay Sell Down**).
- The Acquisition Price will be funded by way of the following:
 - Existing cash in 99 Wuxian;
 - The prior issue of CDIs at A\$0.10 per CDI to raise a total of approximately RMB 42 million (A\$9.02 million) (being the total of RMB 40 million plus A\$350,000) from unrelated third party investors (**Placement CDIs**);
 - Consideration received by 99 Wuxian PRC from the Ofpay Sell Down; and
 - An unsecured loan from Grand Ease, an entity controlled by Ms Amalisia Zhang in the amount of RMB140 million (A\$29.9 million) to 99 Wuxian (**Shareholder Loan**).

In consideration for the Shareholder Loan, the Company issued Grand Ease 1 non-convertible Note. In the event Resolution 2 is approved, the non-convertible Note will become a convertible Note and the repayment obligations of the Company may be satisfied (at the election of the Company) by way of the issue of Conversion CDIs (to a maximum of 213,317,081 CDIs) in the Company calculated at the Conversion Price.

The General Meeting and the Resolutions

The General Meeting is scheduled to be held at Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney NSW 2000 on Friday, 26 February 2016 commencing from 10:30am (Sydney time) / 7:30am (Hong Kong time).

The Notice of the General Meeting contains the Resolutions required to approve the Proposed Transaction; namely:

Resolution	Detail
Resolution 1	Approval under Listing Rule 7.4 of the prior issue of the CDIs (Placement CDIs)
Resolution 2	Approval under Listing Rule 10.11 of the Conversion Mechanism in the Loan Agreement
Resolution 3	Approval under the laws of Hong Kong of the Loan Agreement and the allotment and issue of Conversion CDIs and the underlying 99 Wuxian Shares
Resolution 4	Approval under the laws of Hong Kong of the general mandate to issue and allot 99 Wuxian Shares

Detail of the Proposed Transaction is provided in the Explanatory Statement which forms part of the Notice of General Meeting.

Capital structure – Before and after the Proposed Transaction

The table below depicts the capital structure of the Company:

- Snapshot 1 – as at the date of this Circular (which includes the Placement CDIs); and
- Snapshot 2 – in the event the Transaction Resolutions are all approved, the Acquisition is completed and the maximum number of Conversion CDIs are issued to Grand Ease¹.

CDI Holders	Snapshot 1		Snapshot 2	
	Number of CDIs	% of CDIs held	Number of CDIs	% of CDIs held
Grand Ease Holdings Limited	255,300,969	22.01	468,618,050	34.13 ^{1&2}
Caihui Investments Limited Overseas Management Company Trust (B.V.I)	146,919,472	12.67	146,919,472	10.70
Investorlink Securities Limited	103,121,918	8.89	103,121,918	7.51
ACE Ray Limited	86,158,618	7.43	86,158,618	6.28
Vition Capital Investment Limited	71,733,391	6.19	71,733,391	5.22
Nation Pride Investments Ltd Overseas Management Company Trust (B.V.I)	71,732,559	6.19	71,732,559	5.22
Decheng Investments Limited	59,343,154	5.11	59,343,154	4.32
Wuxian Nominees Pty Ltd	50,000,000	4.31	50,000,000	3.64
Investorlink Group Limited	40,506,983	3.49	40,506,983	2.95

Fully Best Holdings Limited Overseas Management Company Trust (B.V.I)	35,865,863	3.09	35,865,863	2.61
All other CDI Holders	238,999,733	20.61	238,999,733	17.40
Total	1,159,682,660	100.00%	1,372,999,741	100.00%

1. The issue of Conversion CDIs to Grand Ease in satisfaction of the repayment obligations of the Company to Grand Ease (an entity controlled by Amalasia Zhang) under the Note will require the approval of the Conversion Mechanism of the Note contained in the Loan Agreement (the subject of Resolution 2). The conversion of the loan is within the Company's control and may not occur during the period of the loan, if at all.

2. The Conversion Mechanism is not exercisable to bring Grand Ease and any parties acting in concert with it to 30% or above if it would result in Grand Ease and any parties acting in concert with it being required to make a mandatory general offer under the Hong Kong Takeovers Code.

The above table assumes that no other securities are issued.

Voting instructions

Voting instructions for the General Meeting are contained in Section D of this Circular and personalised proxy forms are enclosed. Your vote is important and we encourage you to vote at the General Meeting either in person or by proxy. If you are unsure as to how to vote, we recommend that you speak with your professional adviser.

Questions

Should you wish to discuss the matters in this Circular please do not hesitate to contact Mr Quinent Leung on +612 9276 2000

We look forward to the participation of Shareholders and CDI Holders at the General Meeting on 26 February 2016.

Yours faithfully

Simon Green
Acting Chairman

Note: This letter contains general information only, and has been prepared without taking account of the objectives, financial situation or needs of any particular person. Accordingly, before acting on any information in this letter, you should consider the appropriateness of the information to your objectives, financial situation and needs and consult a professional adviser where necessary. The Company is not licensed to provide financial product advice.

Section A – Glossary

Acquisition	means the acquisition by 99 Wuxian PRC of 100% of the issued share capital in Ofpay from the Vendors.
Acquisition Agreement	means the share purchase agreement between the Company, Ofpay and the Vendors for the acquisition by 99 Wuxian PRC of the Vendor Shares as detailed in paragraph 1.4 of the Explanatory Statement and dated 16 December 2015.
Acquisition Price	means the consideration to be paid by 99 Wuxian PRC under the Acquisition Agreement. The Acquisition Price consists of: <ul style="list-style-type: none"> • The First Payment; and • The Deferred Payments.
\$ or A\$	means Australia dollars, the lawful currency of Australia.
ASIC	means the Australian Securities & Investments Commission.
ASX	means the Australian Securities Exchange operated by ASX Limited.
Business Day	means a day which is not a Saturday, Sunday or public holiday in Sydney, Australia.
CDI	means a CHESS Depository Interest issued by 99 Wuxian and representing the beneficial ownership of one Share.
CDI Holder	means a holder of a CDI.
CDN	CHESS Depository Nominees Pty Limited ACN 071 346 506.
Circular	means this document, including the Notice of General Meeting and the Explanatory Statement.
Company or 99 Wuxian	means 99 Wuxian Limited ARBN164 764 729, Hong Kong Company No. 1903220.
Conversion CDIs	means the CDIs to be issued by 99 Wuxian upon exercise of its Conversion Rights for of the Note up to a maximum of 213,317,081 CDIs.
Conversion Date	15 December 2015.
Conversion Mechanism	means the clause in the Loan Agreement which allows the Note to be repaid (at the election of the Company) by way of the issue of CDIs. The number of CDIs to be issued will be calculated at the Conversion Price.
Conversion Price	means the amount owing under the Loan Agreement (principal only) divided by RMB.6563 = the number of CDIs to be issued. This is capped at 213,317,081 CDIs.
Conversion Rights	means the rights attached to the Note to convert the Note or a part thereof into Conversion CDIs.
Corporations Act	means the Corporations Act 2001 (Commonwealth) for the time being in force together with the regulations of the Corporations Act.
Deferred Payments	means the Deferred Payments consisting of up to a total maximum of RMB 297.4 million (A\$63.5 million) contingent upon certain performance targets being achieved. The Deferred Payments are payable between 31 December 2015 to 30 June 2017.
Deposit	means RMB50 million (A\$10.7 million) paid under the Acquisition Agreement and described in paragraph 1.2 .
Directors	means the directors of the Company.

Eligible Investor	means such person to whom 99 Wuxian may make an offer of CDIs, where such person is a person to whom an offer and issue of CDIs may be: <ul style="list-style-type: none"> • lawfully made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that an offer to such person is exempt from the disclosure requirements of Part 6D.2 pursuant to sections 708(8) or 708(11) of the Corporations Act; or • made outside Australia and the United States without registration, lodgement or approval of a formal disclosure document or other filing in accordance with the laws of any foreign jurisdiction (except to the extent to which 99Wuxian, in its absolute discretion, is willing to comply with such requirements.
EST	means Australian Eastern Standard Time in Sydney.
Explanatory Statement	means the information set out in Section E of this Circular.
First Payment	means RMB160 million (A\$34.1 million) paid under the Acquisition Agreement.
Funding Arrangement	means structures required to partly fund the Acquisition consisting of funds raised from: <ul style="list-style-type: none"> • Existing capital; • The Placement CDI issue (the subject of Resolutions 1); • The issue of the Note the subject to Resolution 2 and Resolution 3; and • downstream funding by way of the sale of 12.5% of the shares in Ofpay from 99 Wuxian PRC to a third party immediately post completion of the Acquisition.
General Meeting	means the meeting of Shareholders and CDI Holders called by the Company, and referred to in Section B of this Circular, at which the Resolutions will be put to Shareholders and CDI Holders.
Glossary	means the glossary contained in Part A to this Circular.
Grand Ease	means Grand Ease Holdings Limited, a company incorporated in the British Virgin Islands with company number 1772763 and whose registered office is situate at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Hong Kong	means the Hong Kong Special Administrative Region.
Hong Kong Companies Ordinance	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) which came into effect on 3 March 2014 as amended, supplemented or otherwise modified from time to time.
Hong Kong Takeovers Code	means the Code of Takeovers and Mergers of the Securities and Futures Commission of Hong Kong.
Listing Rules	means the Listing Rules of the ASX.
Loan Agreement	means the loan agreement between Grand Ease and 99 Wuxian documenting the provision of the Shareholder Loan and the issue of the Note to Grand Ease as detailed in paragraph 1.5 of the Explanatory Statement dated 16 December 2015.
Note	means the 1 note issued to Grand Ease under the Loan Agreement in consideration for the provision of the Shareholder Loan.
Notice of General Meeting	means the notice of general meeting of Shareholders set out in Section B of this Circular.
Ofpay	Jiangsu Ofpay e-commerce Limited.
Ofpay Sell Down	means the sale of 12.5% of the issued share capital of Ofpay by 99 Wuxian PRC immediately after completion of the Acquisition such that 99 Wuxian PRC retains 87.5% of Ofpay.
Placement CDIs	means the 89,658,618 CDIs issued to Eligible Investors on 3 February 2016 the subject of Resolution 1.
PRC	means the People's Republic of China, and for the purposes of the Transaction Documents excludes Hong Kong, the Macau Special Administrative Region and the island of Taiwan.

Proposed Transaction	means the Acquisition and the Funding Arrangement.
Proxy Form	means the proxy forms appended to this Circular.
Resolutions	means those resolutions set out in Section B of this Circular that will be proposed at the General Meeting.
RMB	means Renminbi (¥), the lawful currency of the PRC.
Section	means a section of this Circular.
Shareholder(s)	means a holder of one or more 99 Wuxian Shares.
Shareholder Loan	means the loan from Grand Ease, an entity controlled by Ms Amalasia Zhang, a Director of 99 Wuxian, to 99 Wuxian in the amount of RMB 140,000,000 (A\$29.9 million) as detailed in the Loan Agreement and the subject of Resolution 2 and Resolution 3.
Transaction Resolutions	means each of the Resolutions.
Vendors	means Shi Zhengchuan and Xue Li.
Vendor Shares	means all of the shares on issue in Ofpay.
99 Wuxian or Company	means 99 Wuxian Limited ARBN164 764 729, Hong Kong Company No. 1903220.
99 Wuxian PRC	Shanghai Handpal Information Technology Service Co., Ltd.
99 Wuxian CDIs	means all of the CDIs on issue in the Company and 99 Wuxian CDI means any one of them.
99 Wuxian Shares	means all of the ordinary shares in the share capital of the Company and 99 Wuxian Share means any one of them.

Section B – Notice of General Meeting

Time and place

Notice is hereby given that the General Meeting will be held as follows:

- Held at: Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney, Australia
- Commencing on: 10:30am EST (Sydney time) on 26 February 2016 / 7:30am (Hong Kong time) on 26 February 2016

Explanatory Statement

The Explanatory Statement which accompanies and forms part of this Notice of General Meeting describes the matters to be considered at the General Meeting.

Defined terms

Terms used in this Notice of General Meeting have the meaning given to them in the Glossary in Section A of this Circular in which this Notice of General Meeting is contained.

SPECIAL BUSINESS

1. Resolution 1 : Ratification of prior issue of CHESSE Depository Interests (Placement CDIs)

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the 15% placement capacity of the Company be refreshed by the approval and ratification of the previous issue of 89,658,618 fully paid CHESSE Depository Interests (CDI) to Eligible Investors at an issue price of A\$0.10 per CDI raising approximately A\$9.02 million on the terms and conditions set out in the Explanatory Statement accompanying this Notice of General Meeting."

Short Explanation: This Resolution approves the prior issue of CDIs. Approval is being obtained under Listing Rule 7.4 to reset the 15% placement capacity of the Company.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by any person who participated in the issue any associates of those persons.

However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Resolution 2 : Approval of conversion mechanism in Loan Agreement

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 10.11 and for all other purposes approval be given for the operation of the conversion mechanism in the Loan Agreement between the Company and an entity controlled by Ms Amalasia Zhang, such that the non-convertible Note issued to an entity controlled by Ms Amalasia Zhang becomes a convertible Note, a form of 'equity security', in any event, no later than 1 month from the date of the General Meeting, together with the issue of CDIs upon conversion of the convertible Note on the terms and conditions set out in the Explanatory Statement"

Short Explanation: This Resolution approves the issue of an 'equity security' (in the form of a convertible note) to an entity controlled by Ms Amalisia Zhang, a Director of the Company, including the allotment and issue of the Conversion CDIs and the underlying 99 Wuxian Shares. Prior approval is being obtained under Listing Rule 10.11 as the Note (once convertible), is deemed to be an 'equity security' under Listing Rule 10.11 and an entity controlled by Ms Amalisia Zhang is a 'related party' of the Company.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Ms Amalisia Zhang, Grand Ease Holdings Limited and any associates of those persons.
However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. Resolution 3 : Approval of Loan Agreement and the allotment and issue of Conversion CDIs and the underlying 99 Wuxian Shares under the Loan Agreement

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

"That:

- (a) *the terms of the Loan Agreement and the transactions contemplated therein, including the Shareholder Loan, be and are hereby approved, and that any one Director be and is hereby authorised for and on behalf of the Company to sign the Loan Agreement and any other documents, instruments or agreements, and to do any things or acts deemed necessary or expedient to give effect to the Loan Agreement and for completion of the same, including but not limited to any filings with the Companies Registry of Hong Kong."*
- (b) *subject to any additional Shareholder approval requirements of the ASX Listing Rules in relation to issuing new securities (including without limitation ASX Listing Rules 7.1) the allotment and issue of the Conversion CDIs and the underlying 99 Wuxian Shares be and is hereby approved, and the Directors be and are hereby granted a specific mandate to allot and issue the Conversion CDIs and the underlying 99 Wuxian Shares in accordance with the terms and conditions of the Loan Agreement."*

Short Explanation: This Resolution is required under Hong Kong law and approves the Loan Agreement and the transactions contemplated therein, including the Shareholder Loan, being a loan from Grand Ease, an entity controlled by Ms Amalisia Zhang, to the Company, and allows any one director of the Company to sign the Loan Agreement and any other necessary documents. This Resolution also provides a mandate for the allotment and issue of Conversion CDIs and the underlying 99 Wuxian Shares.

Voting exclusion statement: The Company will disregard any votes cast on this Resolution by Ms Amalisia Zhang, Grand Ease Holdings Limited and any associates of those persons.
However, the Company need not disregard a vote cast in favour if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 : General mandate to allot and issue 99 Wuxian Shares

To consider and, if thought fit, pass the following resolution, with or without amendment, as an **ordinary resolution**:

- (A) *That, subject to any Shareholder approval requirements of the ASX Listing Rules in relation to issuing new securities (including without limitation ASX Listing Rules 7.1 and 10.11), general and unconditional approval for the purposes of section 141 of the Hong Kong Companies Ordinance be and is hereby given for the Directors to exercise any power of the Company during the Relevant Period (as defined below) to issue, allot, offer or otherwise deal with or dispose of 99 Wuxian Shares, and to make or grant offers, agreements or options (including but not limited to the convertible notes, warrants, options, bonds, debentures, notes, and other securities which carry rights to subscribe for or are convertible into 99 Wuxian Shares) which would or might require the exercise of such powers, to any persons, and on and subject to such terms as the Directors may determine, including to persons other than the existing Shareholder(s), or to the Shareholder(s) otherwise than in proportion to their existing shareholdings in the Company, during the Relevant Period (as defined below);*
- (B) *the approval in paragraph (A) above shall authorise the Directors to make or grant offers, agreements or options (including but not limited to convertible notes, warrants, options, bonds, debentures, notes, and other securities which carry rights to subscribe for or are convertible into 99 Wuxian Shares) during the Relevant Period, which would or might require the exercise of such powers after the end of the Relevant Period, in accordance with section 141(5) of the Hong Kong Companies Ordinance; and*
- (C) *for the purposes of this resolution, “Relevant Period” means the period from passing of this resolution until whichever is the earliest of:*
- (a) the conclusion of the next annual general meeting of the Company;*
 - (b) the expiration of the period within which the next annual general meeting of the Company is required in accordance with the articles of association of the Company, or any applicable law, to be held; or*
 - (c) the revocation or variation by ordinary resolution of the Shareholder(s) in general meeting.”*

<p>Short Explanation: Under this resolution, the Board seeks Shareholder approval for a general mandate to issue and allot 99 Wuxian Shares, which would replace the general mandate granted at the annual general meeting of the Company on 10 June 2015. The current general mandate will give the Company broader rights to issue securities during the Relevant Period (as defined in the resolution), including convertible securities such as convertible notes.</p>

OTHER BUSINESS

To transact any other business which may be brought forward in accordance with the Company's Articles of Association.

Section C – Directors' interests and recommendations

The interests and recommendations of Directors are set out below.

1. Director interests

1.1 Interests in Ofpay, the Vendors and the Acquisition

None of the Company's Directors:

- are related parties of any of the Vendors or any of their associates;
- have any interest in any shares in the Vendors or their respective associates (to the extent they are a company);
- have any interests in the proposed Acquisition of the shares of Ofpay pursuant to the Acquisition Agreement other than in their capacity as CDI Holders of the Company.

1.2 Table of CDI interests

Other than as set out below, no Director will receive any payment or benefit of any kind as a consequence of the approval of the Resolutions contained in this Circular.

The following table sets out the interests held by or on behalf of each director of the Company:

- **Snapshot 1** – at the date of this Circular (which includes the Placement CDIs);
- **Snapshot 2** – in the event the Transaction Resolutions are all approved, the Acquisition is completed, the maximum number of Conversion CDIs are issued to Grand Ease and no other securities are issued.

CDI Holders	Snapshot 1		Snapshot 2	
	Number of CDIs	% of CDIs held	Number of CDIs	% of CDIs held
Ms Amalasia Zhang	Nil directly	0% directly	Nil directly	0% directly
	255,300,969 indirectly by Grand Ease Holdings Limited	22.01% indirectly	468,618,050 ¹ indirectly by Grand Ease Holdings Limited	34.13% indirectly ¹
Mr Ross Benson	Nil directly	00% directly	Nil directly	0% directly
	40,506,983 indirectly by Investorlink Group Limited	3.49% indirectly	40,506,983 indirectly by Investorlink Group Limited	2.95% indirectly
	10,000,000 indirectly by Investorlink Super Pty Limited	0.86% indirectly	10,000,000 indirectly by Investorlink Super Pty Limited	0.73% indirectly
	11,988,220 indirectly by Jowjin Pty Limited atf Keerati Trust	1.03% indirectly	11,988,220 indirectly by Jowjin Pty Limited atf Keerati Trust	0.87% indirectly
	5,156,000 indirectly by Keerati Plodprong.	0.44% indirectly	5,156,000 indirectly by Keerati Plodprong	0.38 % indirectly

Mr David Chen	Nil directly	0% directly	Nil directly	0% directly
	Nil indirectly	0% indirectly	Nil indirectly	0% indirectly
Mr Yongkuan Duan	Nil directly	0% directly	Nil directly	0% directly
	Nil indirectly	0% indirectly	Nil indirectly	0% indirectly
Mr Simon Green	1,130,000 directly	0.10% directly	1,130,000 directly	0.08% directly
	1,880,000 indirectly by Kangra Holdings Pty Ltd atf the GLG Retirement Fund	0.16% indirectly	1,880,000 indirectly by Kangra Holdings Pty Ltd atf the GLG Retirement Fund	0.14% indirectly
Mr Tony Groth	Nil directly	0% directly	Nil directly	0% directly
	4,750,000 indirectly by Mr Tony Groth and Jennifer Groth atf the Groth Superannuation Fund	0.41% indirectly	4,750,000 indirectly Mr Tony Groth and Jennifer Groth atf the Groth Superannuation Fund	0.35% indirectly

1. Only if the Shareholder Loan is converted to the maximum amount of CDIs. The Conversion Mechanism is not exercisable to bring Grand Ease and any parties acting in concert with it to 30% or above if it would result in Grand Ease and any party acting in concert with it being required to make a mandatory general offer under the Hong Kong Takeovers Code.

2. Recommendations and open proxies

2.1 Recommendations

For the reasons set out in this Notice of Meeting, Mr Ross Benson, Mr David Chen, Mr Yongkuan Duan, Mr Simon Green and Mr Tony Groth recommend that Shareholders or CDI Holders vote **in favour of** the Resolutions at the General Meeting.

For the reasons set out in this Notice of Meeting, Ms Amalasia Zhang recommends that Shareholders or CDI Holders vote **in favour of** the Resolutions 1 and 4 at the General Meeting.

In respect to Resolutions 2 and 3, Ms Amalasia Zhang makes no recommendations with respect to those Resolutions respectively as she has an interest in those Resolutions and accordingly is excluded from making any recommendation.

2.2 Open proxies

For the reasons set out in this Notice of Meeting, the Chairman intends to vote open proxies they hold **in favour of** the Resolutions to the extent that he is not excluded from doing so.

Section D – How to vote

If you are entitled to vote at the General Meeting, you should read the instructions below as to whether you can vote in person. Shareholders and CDI holders are entitled to appoint an attorney, proxy or, in the case of corporate shareholders, a corporate representative.

1. Voting entitlements

The Directors have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the General Meeting and CDI holding of CDI holders will be taken to be held by the persons who are registered as members at 10:30am (Sydney time) / 7:30am (Hong Kong time) on 24 February 2016. Accordingly transfers registered after that time will be disregarded in determining members entitled to attend and vote at the General Meeting.

2. Proxy voting by holders of ordinary shares

Shareholders who are unable to attend the General Meeting are requested to complete, sign, date and return the proxy.

A proxy will not be valid unless it is deposited by:

- By mail: 27/F, Alexandra House, 18 Chater Road, Central, Hong Kong
- By fax: +852 2803 3618
- In person: 27/F, Alexandra House, 18 Chater Road, Central, Hong Kong

The proxy must be deposited by no later than 24 February 2016 10:30am (Sydney time) / 7:30am (Hong Kong time) on 24 February 2016. Any proxy form received after that time will not be valid for the General Meeting:

3. Direct voting by holders of CDIs

Holders of CDIs are invited to attend the meeting. CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to:

- By mail: GPO Box 242, Melbourne, Victoria, 3001
- By fax: 1800 783 447 or outside Australia: +61 3 9473 2555
- In person: Computershare Investor Services Pty Limited, Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3001

Such Voting Instruction Form will direct CHESS Depository Nominees Pty Ltd. (**CDN**) to vote the relevant underlying ordinary shares on the CDI Holders behalf or may instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the ordinary shares underlying the CDIs in person at the meeting.

In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form before the time fixed for the General Meeting or an adjournment thereof, being no later than 10:30am (Sydney time) / 7:30am (Hong Kong time) on 23 February 2016. Any CDI voting form received after that time will not be valid for the Meeting.

Part E – Explanatory Statement

The Explanatory Statement forms part of the Notice of General Meeting of 99 Wuxian Limited (**Company**) to be held at Radisson Blu Hotel Sydney, 27 O'Connell Street, Sydney, Australia, commencing on 10:30am EST (Sydney time) on 26 February 2016 / Hong Kong, commencing on 7:30am on 26 February 2016.

The Explanatory Statement is to be read in conjunction with the Notice of General Meeting.

The purpose of the Explanatory Statement is to provide information which the Directors believe is material to Shareholders or CDI Holders in deciding whether or not to pass the Resolutions to be put forward in the General Meeting.

Conversion Date

The currency conversions from RMB to A\$ have been calculated on the exchange rate of RMB to A\$ of RMB 0.46877 on 15 December 2015.

Read the Circular

The Directors recommend Shareholders and CDI Holders read the Circular in full before making any decisions relating to the Resolutions contained in the Notice of General Meeting.

Defined terms

Terms used in this Explanatory Statement have the meaning given to them in the Glossary in Section A of this Circular in which this Explanatory Statement is contained.

General information

1. The Acquisition

1.1 Background and rationale for the Acquisition

On 16 December 2016, 99 Wuxian Limited (**Company**) announced that its wholly owned subsidiary, 99 Wuxian PRC, had entered into a binding conditional agreement to acquire 100% of the shares in Ofpay.

The Acquisition represents a major strategic milestone for the Company, strengthening its competitive position in the Chinese m-commerce sector. The Acquisition significantly increases the scale of the Company's operations and enables the Company to deliver its business partners with a more comprehensive product solution. This will enable the Company to continue delivering superior level of service to its end customers and positions the Company to focus on downstream platform growth as we continue to build our registered user base.

1.2 Overview of the Acquisition

General

On 19 November 2015 a document was signed by 99 Wuxian PRC, the wholly owned subsidiary of the Company, with shareholders (**Vendors**) of Jiangsu Ofpay e-commerce Limited (**Ofpay**) to acquire 100% of the shares in Ofpay. This document was not authorised by the Board of the Company and was preliminary in nature setting out the proposed terms for the Acquisition.

This document was put to the Board of the Company and negotiations were initiated with the Vendors resulting in a final agreement as to the terms being concluded by the parties. On 16 December 2015, with the approval of the Board of the Company, the binding Acquisition Agreement was entered into with the Vendors of Ofpay.

Under the Acquisition Agreement, 99 Wuxian PRC, contracted to acquire 100% of the Vendor Shares consisting of the entire issued share capital held by the Vendors in the shares in Ofpay in consideration for the Acquisition Price. The Acquisition Price is made of:

- RMB 50 million (A\$10.7 million (**Deposit**)); and
- RMB 110 million (A\$23.5 million) (being RMB160 million (A\$34.1 million) minus the Deposit) (**First Payment**); and
- Deferred payments consisting of three deferred payments of up to a total maximum of RMB 297.4 million (A\$63.5 million) contingent upon certain performance targets being achieved (**Deferred Payments**). The Deferred Payments are payable between 31 December 2015 to 30 June 2017).

The terms of the Acquisition Agreement are provided in **paragraph 1.3** below.

Post Acquisition

Immediately post Acquisition, 99 Wuxian PRC has contracted to sell 12.5% of the shares in Ofpay for RMB 80 million (A\$17.1 million). These funds will be used to fund part of the Deferred Payments (**Ofpay Sell Down**).

Shareholder approvals

In a letter dated 15 December 2015, the ASX confirmed that based on the information provided, the ASX will not require 99 Wuxian to obtain shareholder approval for the Proposed Transaction under listing rule 11.1.2, nor will ASX require the Company to meet the requirements in chapters 1 and 2 of the listing rules as if the Company were applying for admission to the official list under listing rule 11.1.3.

Notwithstanding the above, the Funding Arrangements require a number of Shareholder approvals. These Resolutions are the subject of this Notice of General Meeting,

Funding for the Acquisition Price

The Acquisition Price will be funded from:

- The issue of 89,658,618 CDIs at A\$0.10 per CDI raising a total of approximately RMB 42 million (A\$9.02 million) (being the total of RMB 40 million plus A\$350,000) to unrelated Eligible Investors (**Placement CDIs**) on 3 February 2016.
- A Shareholder Loan from Grand Ease, an entity controlled by Ms Amalasia Zhang in the amount of RMB140 million (A\$29.9 million) to the Company. In consideration for the Shareholder Loan, the Company issued Grand Ease 1 non-convertible Note.

Note: In the event Resolution 2 is approved, the non-convertible Note will become a convertible Note and the payment obligations of the Company may be satisfied (at the election of the Company) by way of the issue of Conversion CDIs in the Company calculated at the Conversion Price.

- The receipt of RMB 80 million (A\$17.1 million) from the sale of 12.5% of the shares in Ofpay immediately post Acquisition by way of the Ofpay Sell Down,

(Funding Arrangements).

A table of the Acquisition Price and how each payment was funded or will be funded is detailed below. The payments made to date have been for the purpose of securing the opportunity to the Company.

Acquisition Price	Amount	Date payable	Funding Arrangement
Deposit	RMB 10 million (A\$2.1 million)	Paid 5 September 2014	Funded from cash at bank
	RMB 10 million (A\$2.1 million)	Paid 30 December 2014	Funded from cash at bank
	RMB 30 million (A\$6.4 million)	Paid 19 June 2015	Funded from a third party loan
First Payment	RMB 110million (being RMB 160million minus the Deposit of RMB50 million) (A\$23.5 million)	Paid 20 November 2015	Funded from the Shareholder Loan
Deferred Payments	A maximum of RMB 297.4 million (A\$63.5 million)	Payable between 31 December 2015 to 30 June 2017	<ul style="list-style-type: none"> RMB30 million (A\$6.40 million) to be funded from the balance of the Shareholder Loan; The balance to be funded from the Placement CDI issue the Ofpay Sell Down, further CDI issues, debt issue, convertible note issue or available cash at bank.

Pursuant to the terms of the Loan Agreement for the Shareholder Loan, in the event the Acquisition is not completed or 99 Wuxian suffers any loss or damage or incurs any interest, costs or expenses as a result of such Proposed Transaction, then the amount 99 Wuxian is required to repay under the Shareholder Loan will be reduced by the amount of such losses or damages suffered, and all and any interest, costs or expenses incurred.

Detail of the Placement CDI issue is provided in **paragraph 4** below.

Detail of the Shareholder Loan and the 1 Note issued is provided in **paragraph 1.4** and **paragraph 5** and **paragraph 6** below.

1.3 The key terms of the Acquisition Agreement

The Acquisition is documented by way of the Acquisition Agreement. A summary of the key terms of this agreement is provided below:

	Detail
The parties:	99 Wuxian PRC The Vendors, namely: <ul style="list-style-type: none"> Shi Zhengchuan; Xue Li.
The Acquisition:	99 Wuxian PRC will acquire 100% of the issued share capital in Ofpay from the Vendors.
The Acquisition Price:	In consideration for the Acquisition, 99 Wuxian PRC will pay the Vendors the Acquisition Price. Refer to paragraph 1.2 for details.
Conditions precedent:	The Acquisition Agreement was conditional on a number of conditions precedent. Each of these conditions precedent has been satisfied and the Acquisition Agreement is now unconditional.
Completion:	Completion of the Acquisition Agreement is anticipated to occur on or about 29 February 2016.

1.4 The key terms of the Loan Agreement for the Shareholder Loan

The Shareholder Loan is documented by way of the Loan Agreement. A summary of the key terms of this agreement is provided below:

	Detail
The parties:	Grand Ease Holdings Limited Company
The Loan:	RMB140 million by Grand Ease to the Company.
Notes issued:	1 Note with a face value of RMB140 million.
Term:	3 year loan term. The Shareholder Loan may, however be repaid earlier at the discretion of the Company.
Interest:	7% per annum accruing on the Note on and from the date of approval of Resolution 2 i.e. under ASX Listing Rule 10.11 (not on a compound basis and the Company has the right to defer payment of any or all interest accrued until either maturity of the Note, the date of exercise of the Conversion Rights in full, or the date of full redemption of the Note, whichever occurs earliest). Interest is payable in cash only and cannot be equity settled (i.e. converted into CDIs).
Conversion:	Subject to the satisfaction of the conditions for conversion (Conversion Conditions) detailed below, the Note (principal only) can be repaid in whole or in part at the discretion of the Company (and at any time) by way of the issue of CDIs (Conversion CDIs). The number of Conversion CDIs to be issued is to be calculated at the Conversion Price up to a maximum of 213,317,081 Conversion CDIs. The Conversion CDIs will rank equally with all other existing fully paid and publicly traded CDIs on issue.
Conversion Conditions:	The Note will only become convertible in the event: <ul style="list-style-type: none"> Resolution 2 is approved at the General Meeting Exercise of the Conversion Rights will not give rise to an obligation for Grand Ease (together with any party acting in concert with it) to make an offer pursuant to Rule 26 of the Hong Kong Takeovers Code.
Conversion Price:	Conversion at RMB0.6563 per CDI.
Security:	No security provided.
Non recourse:	In the event the Acquisition and the transactions under the Acquisition Agreement are not completed pursuant to the terms and conditions in such agreement, or the Company suffers any loss or damage or incurs any interest, costs or expenses as a result of such transactions (including but not limited to the loss of any amount already paid to the Vendors under the Acquisition Agreement), then the Company shall only be required to repay such principal moneys outstanding under the Note to Grand Ease together with all interest accrued thereon from the date of approval of Resolution 2 up to and including the date of repayment, less any and all amount of losses or damages suffered, and all and any interest, costs or expenses whatsoever incurred by the Company as a result of any such events mentioned in this paragraph.
Adjustment mechanism:	The Conversion Price shall be adjusted from time to time, in a manner permitted by the ASX Listing Rules, as a result of (i) a pro rata bonus issue of CDIs or 99 Wuxian Shares (excluding an issue for cash or other consideration); (ii) a rights issue of CDIs or 99 Wuxian Shares or other securities convertible to CDIs or 99 Wuxian Shares; (iii) a subdivision or consolidation of CDIs or 99 Wuxian Shares; (iv) any other reorganisation of share capital; or (v) any other act or event which is analogous to any of the above or equity dilutive in nature. This is to ensure that the Noteholders do not receive any benefit or suffer any detriment different from the Shareholders or CDI Holders, as a result of the above reorganisation events.

1.5 Overview of Ofpay

Established in 2005, Ofpay is a market leading wholesale provider of virtual products in China, including mobile and game recharge; gift cards; fuel cards; and utility bills. Ofpay has well-established and long-standing relationships with prominent Chinese online marketplaces and virtual product suppliers, including Taobao, China Mobile, Tenpay, JD.com, Xiaomi and Q Coin.

Ofpay is 100% owned by the Vendors.

1.6 Ofpay's financial performance and financial position – 2014 and 2015

Ofpay's financial performance for the 2014 and 2015 financial years to 31 December and 31 December (respectively) are set out below:

	2014 RMB million	2015 RMB million
(Loss)/profit for the year attributable to members	30.9	36.02
Total Asset	205	302
Net Asset	36.2	71.27

1.7 Applicability of the Corporations Act

The Company is incorporated in Hong Kong and is registered as a "foreign company" under Chapter 5B of the Corporations Act. The Company is not subject to a number of provisions of the Corporations Act including chapter 6 of the Corporations Act and in particular:

- The 20% prohibition rule contained in section 606 of the Corporations Act; and
- The substantial shareholder notification provisions contained in section 671B of the Corporations Act.

The Company is not subject to the jurisdiction of the Australian Takeovers Panel.

2. Impact of the Proposed Transaction on the Company

2.1 Completion of the Proposed Transaction

At completion of the Proposed Transaction:

- The Company will control 87.5% of the issued share capital in Ofpay. Note this takes into the account the post Acquisition sale by 99 Wuxian PRC of 12.5% of the shares in Ofpay for RMB 80 million (A\$17.1 million);
- Eligible Investors on 3 February 2016 received 89,658,618 CDIs, being the Placement CDIs;
- The Company will have a repayment obligation to Grand Ease under the Note. In the event Resolution 2 is approved, the Note becomes a convertible Note and the Company can elect to repay the Shareholder Loan under the convertible Note by way of the issue of Conversion CDIs;
- The Company will have a contractual obligation to fund the Deferred Consideration which are contingent upon certain performance targets being achieved.

It is anticipated that the Acquisition will be completed in 29 February 2016.

2.2 Pro-forma statement of financial position

The following table comprises the actual historical and pro forma consolidated balance sheet as at 31 December 2015, assuming that Ofpay was a wholly-owned subsidiary of the Company at that time and the other matters set out in notes to the pro-forma statement of financial position set out below.

Actual Historical and Pro-forma Unaudited Consolidated Balance Sheet	99 Wuxian 2015	Ofpay 2015	Pro-forma Unaudited Consolidated
Cash and cash equivalents	43,524,901	70,409,205	113,934,106
Receivables	110,136,816	112,697,933	216,762,800
Other	11,851,574	115,011,250	126,862,824
Total Current Assets	165,513,291	298,118,388	457,559,730
Receivables	-	-	-
Property, plant & equipment	6,069,137	3,157,036	9,226,173
Other Financial Assets	7,363,931	332,535	7,696,466
Investment	160,000,000	-	160,000,000
Intangible Asset	53,156,773	-	53,156,773
Total Non-Current Assets	226,589,841	3,489,571	230,079,412
Total Assets	392,103,132	301,607,959	687,639,142
Payables	64,803,645	44,809,303	109,612,948
Bank loans		39,000,000	39,000,000
Unearned income	13,628,910	134,524,365	142,081,325
Total Current Liabilities	78,432,555	218,333,668	290,694,273
Deferred tax liabilities	8,408,143	-	8,408,143
Bank loans	-	12,000,000	12,000,000
Total Non-Current Liabilities	8,408,143	12,000,000	20,408,143
Total Liabilities	86,840,698	230,333,668	311,102,416
Net Assets	305,262,434	71,274,291	376,536,725
Contributed Equity	272,015,374	10,000,000	282,015,374
(Accumulated Losses)*	33,247,060	61,274,291	94,521,351
Shareholder Equity	305,262,434	71,274,291	376,536,725

Notes to the actual historical and pro-forma unaudited consolidated balance sheet

The total equity interest is calculated as the sum of Ofpay and the Company's equity interests based on the unaudited management accounts to 31 December 2015. Transaction adjustments for goodwill, financing and intercompany adjustments are to be determined post completion of audit and actual control date. The non-equity related inter-company balances are eliminated by treating them as inter-group balances.

2.3 Impact of the Proposed Transaction on the Company – Board and management

The Proposed Transaction will result in no change to the Board and management of the Company.

2.4 Impact of the Proposed Transaction on the Company – Capital structure

The impact on the Company's capital structure is detailed in the Letter from the Acting Chairman on pages 6 and 7.

Takeover issues

Applicability of the Corporations Act

As an entity incorporated in Hong Kong, the Company is not subject to the 20% prohibition rule contained in section 606 of the Corporations Act. Consequently, Grand Ease can increase its relevant interest from 22.01% to 34.13% without triggering the Australian takeover provisions of the Corporations Act.

Applicability of the Hong Kong Takeovers Code

The Hong Kong Takeovers Code applies to “public companies in Hong Kong”, among other entities. If a mandatory general offer is required under the Hong Kong Takeovers Code, confirmation would need to be sought from the Securities and Futures Commission of Hong Kong whether 99 Wuxian falls under the definition of a “public company in Hong Kong” to determine whether the Hong Kong Takeovers Code applies. Consequently, if the Securities and Futures Commission of Hong Kong determine that 99 Wuxian falls under the definition of a “public company in Hong Kong” and the Hong Kong Takeovers Code applies, Grand Ease may only exercise the Conversion Mechanism to the extent that it brings the holdings of Grand Ease and any parties acting in concert with it in 99 Wuxian to a maximum of 29.9%.

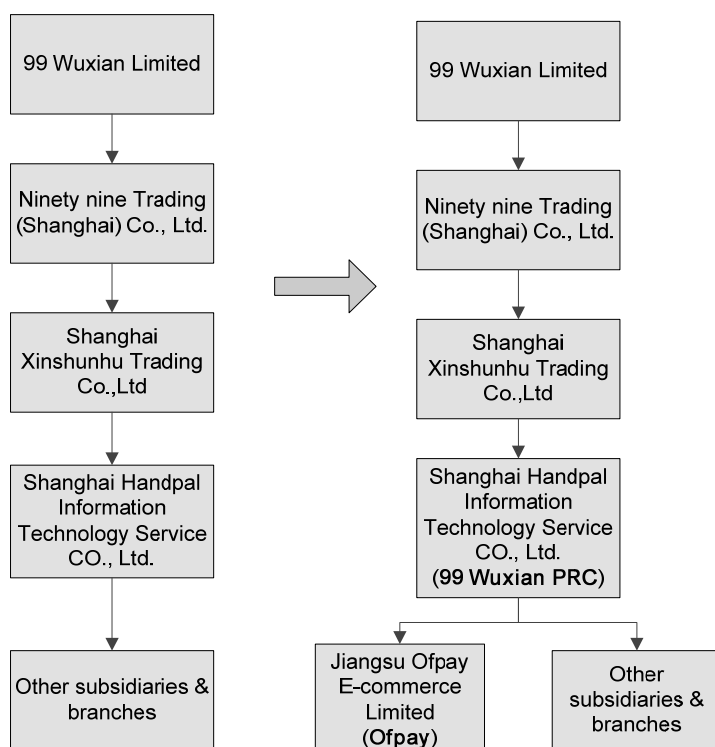
2.5 Impact of the Proposed Transaction on the Company – Corporate structure

The below diagrams depicts the corporate structure of the Company:

- at the date of this Circular (which includes the Placement CDIs); and
- in the event the Acquisition is completed.

Current corporate structure

Corporate structure following completion of the Proposed Transaction



2.6 The Company's intentions for the future

Looking forward, the Company and its directors are focused on integrating Ofpay and utilising the Company's dominant position as the largest aggregator of merchants for leading banks, insurers and telecommunications companies in China and driving growth in FY2016 by capitalising on the significant market opportunity and positive growth trends in Chinese m-commerce. The integration of Ofpay includes integrating business systems, increasing the research and development capabilities, expanding and optimizing the product range and product mix, enlarging the sales channels and partners, cross selling products through each of the Company's and Ofpay's distribution channels, and improving the cost efficiency.

The Company is also focused on further developing its "big data" capabilities to capture, analyse and provide unique insights on consumer behaviour to business partners and merchants to enable targeted marketing. In addition, the Company's O2O strategy aims to create a seamless experience for consumers between online mobile commerce environment and physical retail stores (offline), driving increased consumer traffic to both our mobile market place and physical retail presence of our merchants. The Company expects to deliver strong growth in FY2016 and benefit from operating leverage as the business continues to scale.

2.7 Implications if the Transaction Resolutions are not approved

In the event the Transaction Resolutions are not approved, then:

- 99 Wuxian PRC will proceed to acquire Ofpay;
- The proceeds of the Placement CDIs will be used to fund part of the Deferred Payments;
- The Company's 15% placement cap will not have been reset meaning that the Company will need to seek prior Shareholder approval for the issue of any additional CDIs to fund the Deferred Payments;
- The Note issued in consideration for the Shareholder Loan will remain non-convertible and will be repayable in accordance with its terms.

3. Risk factors associated with the Proposed Transaction

3.1 Risk factors

Based on the information available, a non-exhaustive list of risk factors in relation to the Proposed Transaction is detailed below.

The below list of risk factors should not be considered exhaustive of the risks faced by the Company or by Shareholders and CDI Holders in the Company. The below factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities.

Risk summary	Detail of risk
Risks associated with Ofpay and the Acquisition	
No guarantee of positive economic outcome	There is no guarantee that the Acquisition by the Company will result in a positive economic outcome. If the Acquisition is not commercially viable, losses will be incurred by the Company.
Deferred Payment risk	Capital raising may be required to fund the second Deferred Payment and third Deferred Payment. If a capital raising does not proceed, the Company will need to fund an alternative source of capital to fund the second and third Deferred Payment. There can be no assurance that such funding will be available on satisfactory terms or at all. Any debt financing, if available, may involve restrictions on financing and operating activities.

	If the Company is unable to obtain additional financing to fund the second and third Deferred Payments as needed, the Vendors will have a right of action against 99 Wuxian PRC in China for damages.
Dilutionary impact	The issue of any additional CDIs to the Eligible Investors to the fund the second Deferred Payment and third Deferred Payment (if required) will have a dilutionary effect on the holdings of existing Shareholders and CDI Holders.
Reliance on information provided	The Company has undertaken financial, business and other analyses of Ofpay in order to assess its attractiveness and determine whether to pursue the acquisition. This analysis relied on financial and other information provided by the Vendors or Ofpay and despite taking reasonable efforts, 99 Wuxian has not been able to verify the accuracy, reliability or completeness of all information provided to it against independent data. Similarly, the Company has prepared (and made assumptions in the preparation of) the unaudited financial information relating to Ofpay on a stand-alone basis and also to the 99 Wuxian Group post acquisition of Ofpay in reliance on the information provided by the vendors of Ofpay. If any such information provided to and relied upon by the Company in its due diligence process proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Ofpay and the combined group may be materially different to expectations. Investors should also note that the Company makes no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the acquisition have been identified or addressed. Accordingly, there is a risk that unforeseen or unaddressed issues and risks may arise which could have a material impact on the Company, Ofpay or the combined group post-acquisition.
Integration risk	The acquisition will require the integration of Ofpay's business with the Company. It is anticipated that integration costs will be funded from cash raised from the issue of the Placement CDIs. However, there is a risk that the integration process will be more complex than currently anticipated, encounter unexpected challenges or issues, take longer than expected, divert management attention or not deliver the expected benefits and synergies, any of which may materially adversely affect 99 Wuxian, Ofpay or the combined post-acquisition 99 Wuxian group's business, operating and financial performance.
Legacy risks	If the acquisition of Ofpay completes, the 99 Wuxian group may become directly or indirectly liable for liabilities, or other obligations, incurred by Ofpay prior to acquisition and in respect of which negotiated representations, warranties and indemnities may not provide adequate protection. In such circumstances, there is a risk that such liabilities may materially adversely affect the Company, Ofpay or the combined post-acquisition 99 Wuxian group's business, operating and financial performance.
Commercial Agreements	Ofpay operates a high-volume, low-margin business and does not generally have long term contracts in place with suppliers or downstream operators. To the extent existing relationships / commercial arrangements change post-acquisition, it may materially adversely affect the Company, Ofpay or the combined post-acquisition 99 Wuxian group's business, operating and financial performance.
Acquisition accounting	The Company will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of Ofpay post-acquisition. To the extent the acquisition price exceeds the assessed fair value of Ofpay's net assets, it will generally be treated as goodwill for accounting purposes. The amounts allocated as fair value and goodwill will result in depreciation and amortisation charges which will impact the combined 99 Wuxian group's net profit after tax and may restrict its ability to pay dividends in the future.
Post acquisition performance	Ofpay operates in a capital-intensive industry and there is no certainty that sufficient funding will be available post-acquisition to ensure that the actual financial position and performance of Ofpay and the combined group will be in line with expectations. In addition, there is no guarantee that proposed changes to Ofpay's operating model post-acquisition will be able to be successfully implemented or achieve the anticipated results. In such circumstances, there is a risk that the Company, Ofpay or the combined post-acquisition 99 Wuxian group's business, operating and financial performance will be adversely affected.
Risks relating to the Shareholder Loan	
Servicing of Shareholder Loan	Whilst the obligations under the Loan Agreement are not secured, a risk still exists that in the event the Company cannot service the Shareholder Loan and in the event it is to be satisfied in cash pursuant to its terms, Grand Ease will have a

	right of action against the Company in Hong Kong.
Dilutionary impact of Shareholder Loan	The issue of the CDIs to Grand Ease in satisfaction of the Shareholder Loan (if approved under Resolution 2), will have a dilutionary effect on the holdings of existing Shareholders and CDI Holders.
Risks relating to the Company's operations	
Future capital requirements	<p>Following payment of the Deferred Payments, future funding may be required by the Company to fund its operations following the Acquisition.</p> <p>There can be no assurance that such funding will be available on satisfactory terms or at all. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations which may adversely affect the business and financial condition of the Company and its performance.</p>

The Resolutions

4. Resolution 1 : Approval of prior issue of Placement CDIs

4.1 Overview

For detail on the issue of Placement CDIs and the overall Proposed Transaction, please refer to **paragraphs 1.1 – 1.4** (inclusive).

On 4 February 2016, the Company announced it had completed placements for a total of 89,658,618 new CDIs at an issue price of A\$0.10 per CDI (**Placement CDIs**) to raise a total of approximately RMB 42 million (A\$9.02 million) (being the total of RMB 40 million plus A\$350,000) (before costs).

The Placement CDIs were issued to various Eligible Investors, who are not related parties or associates of related parties of the Company.

The funds raised from the issue of Placement CDIs are to be used to fund part of the Acquisition Price, namely part of the first Deferred Payment and part of the second Deferred Payment. Please refer to **paragraph 1.3** for further detail.

The 89,658,618 Placement CDIs were issued within the Company's 15% limit permitted under Listing Rule 7.1.

4.2 The Resolution

Under this Resolution, the Board seeks Shareholder approval, for the purpose of satisfying ASX Listing Rule 7.4, to approve the prior issue of the Placement CDIs so that the Company restores capacity to issue up to a full 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

4.3 The law

The Directors are restricted by Listing Rule 7.1 from issuing new securities in the Company which would dilute the interests of existing Shareholders, to a maximum of 15% of the issued capital of the Company in any 12 month period (**15% limit**) without Shareholder approval.

Listing Rule 7.4 provides an exception to Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The Placement CDIs were issued within the Company's 15% limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue securities, to the extent of the 15% limit detailed in Listing Rule 7.1, during the next 12 months.

4.4 Specific information

Listing Rule 7.5 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 7.4. This information is set out below:

Listing Rule 7.5 requirement	Information
Number of securities issued:	The number of CDIs issued was 89,658,618 CDIs, these are referred to as the "Placement CDIs".
Price at which the securities were issued:	The issue price per Placement CDI was A\$0.10.
Terms of the securities:	The Company applied to the ASX to have the Placement CDIs Officially Quoted. These Placement CDIs rank equally with all the other CDIs on issue. In all other respects the rights and entitlements of the holders in respect of the Placement CDIs issued are identical to the rights and entitlements of the holders of issued CDIs.
The names of the persons to whom the securities were issued or the basis on which they were issued:	The Placement CDIs were issued to Eligible Investors. The Company confirms that none of the subscribers for any of the CDIs pursuant to Resolution 1 were related parties of the Company.
The intended use of funds raised:	The Company intends to use the funds raised from the Placement CDIs to fund the first Deferred Payment and part of the second Deferred Payment for the Acquisition.
Voting exclusion statement:	A voting exclusion statement is contained in Resolution 1.

4.5 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on or not to vote in favour of Resolution 1 (being information that is known to the Directors which has not previously been disclosed to Shareholders and CDI Holders) other than as set out in this Circular.

4.6 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

4.7 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

4.8 Voting requirements

Resolution 1 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.

5. Resolution 2 : Approval of conversion mechanism in Shareholder Loan

5.1 Overview

The Loan Agreement documents the Shareholder Loan from Grand Ease, an entity controlled by Ms Amalasia Zhang to the Company in the amount of RMB140 million. In consideration for the Shareholder Loan, the Company issued Grand Ease 1 non-convertible Note.

For detail on the Shareholder Loan, the Loan Agreement, the Note issued under the Loan Agreement and the overall Proposed Transaction, please refer to **paragraphs 1.1 – 1.4** (inclusive).

5.2 Resolution

This Resolution seeks Shareholder approval of the Conversion Mechanism contained in the Loan Agreement such that the non-convertible Note will become a convertible Note and the payment obligations of the Company may be satisfied (at the election of the Company) by way of the issue of Conversion CDIs in the Company calculated at the Conversion Price.

The Conversion Mechanism allows (at the election of the Company) for the Note to be repaid by the issue of Conversion CDIs in the Company at a fixed price to Grand Ease.

Shareholder approval is required under ASX Listing Rule 10.11 to approve the Note becoming a convertible Note, (being an 'equity security' security), and hence for the issue of an equity security to a related party.

5.3 The law

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues or agrees to issue, "equity securities" to a related party unless an exception to ASX Listing Rule 10.12 applies.

In the event the Shareholders approve the Conversion Mechanism of the Shareholder Loan, this effectively transforms the Shareholder Loan into a "convertible security". A convertible security is a form of equity security.

It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

In the event Resolution 2 is approved, any CDIs issued upon exercise of the Conversion Mechanism in the Shareholder Loan would then fall under Exception 7 to listing rule 10.12 and not require further shareholder approval under Listing Rule 10.11.

As approval for the issue of the 'equity security' to Grand Ease is being sought under ASX Listing Rule 10.11, approval is not also required under Listing Rule 7.1.

5.4 Specific information

Listing Rule 10.13 requires certain information to accompany a Notice of General Meeting in relation to approval sought under Listing Rule 10.11. This information is set out below:

Listing Rule 10.13 requirement	Information
The name of the person:	The equity security in the form of a convertible Note (i.e upon the approval of the Conversion Mechanism in the Loan Agreement by way of this Resolution) is being issued to Grand Ease, an entity controlled by Ms Amalasia Zhang, director of the Company.
The maximum number of securities to be issued:	1 Note. Upon the approval of the Conversion Mechanism for the Note, the Note is convertible into a maximum of 213,317,081 CDIs (Conversion CDIs).

The date by which the securities will be issued:	The equity security in the form of the <u>convertible</u> Note will be issued immediately upon Shareholder and CDI Holder approval of the Conversion Mechanism for the Note.
The issue price:	The Note is being issued to Grand Ease in consideration for RMB140 million (A\$29.9 million). Upon the approval of the Conversion Mechanism for the Note, the convertible Note may be converted into 213,317,081 Conversion CDIs at an issue price per CDI of RMB 0.6563 per CDI.
Terms of the equity securities:	The terms of the Loan Agreement for the Shareholder Loan along with the Conversion Mechanism are contained in paragraph 1.4 .
The intended use of funds raised:	The Company used the funds raised from the issue of the Note to fund part of the first Payment and will use the balance to fund part of the second Deferred Payment for the Acquisition.
Voting exclusion statement:	A voting exclusion statement is contained in Resolution 2.

5.5 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on whether or not to vote in favour of Resolution 2 (being information that is known to the Directors which has not previously been disclosed to Shareholders or CDI Holders) other than as set out in this Circular.

5.6 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

5.7 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

5.8 Voting requirements

Resolution 2 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.

6. Resolution 3 : Approval of Loan Agreement and the allotment and issue of Conversion CDIs and the underlying 99 Wuxian Shares under the Loan Agreement

6.1 Overview

For detail on the Shareholder Loan, the Loan Agreement the Note issued under the Loan Agreement and the overall Proposed Transaction, please refer to **paragraphs 1.1 – 1.4** (inclusive).

6.2 Resolution

This Resolution is required under Hong Kong law.

This Resolution seeks Shareholder approval of:

- the Loan Agreement and the transactions contemplated thereunder, being a loan from Grand Ease, an entity controlled by Ms Amalasia Zhang, to the Company; and
- the allotment and issue of the Conversion CDIs under the Loan Agreement

6.3 The law

With respect to the allotment and issue of the Conversion CDIs and the Loan Agreement which contains such mechanism, according to sections 140 and 141 of the Hong Kong Companies Ordinance, the directors of a Hong Kong company may, with certain exceptions, exercise the power to allot shares in a company, or to grant rights to subscribe for, or to convert any security into, shares in a company, only if the company gives approval in advance by resolution of the company. This approval may be general or specific, and conditional or unconditional.

6.4 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on or not to vote in favour of Resolution 3 (being information that is known to the Directors which has not previously been disclosed to Shareholders or CDI Holders) other than as set out in this Circular.

6.5 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

6.6 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

6.7 Voting requirements

Resolution 3 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

A voting exclusion statement is contained after the Resolution. Votes cast by Shareholders or CDI Holders contrary to the voting exclusion statement will be disregarded.

7. Resolution 4 : General Mandate to allot and issue 99 Wuxian Shares

7.1 Overview

This Resolution allows the Company to issue securities, including convertible securities, in future which may be similar in nature to that as currently contemplated under the Shareholder Loan Agreement.

7.2 Resolution

This Resolution is required under Hong Kong law.

Under this Resolution, the Board seeks CDI Holder approval for a general mandate to issue and allot 99 Wuxian Shares, which would replace the general mandate granted at the annual general meeting of the Company on 10 June 2015. The current general mandate will give the Company broader rights to issue securities during the Relevant Period (as defined in the resolution), including convertible securities such as convertible notes.

7.3 The law

According to sections 140 and 141 of the Hong Kong Companies Ordinance, the directors of a Hong Kong company may, with certain exceptions, exercise the power to allot shares in a company, or to grant rights to subscribe for, or to convert any security into, shares in a company, only if the company gives approval in advance by resolution of the company. This approval may be general or specific, and conditional or unconditional.

7.4 Additional information

There is no other information material to the making of a decision by Shareholders or CDI Holders on or not to vote in favour of Resolution 4 (being information that is known to the Directors which has not previously been disclosed to Shareholders or CDI Holders) other than as set out in this Circular.

7.5 Directors' interests

A Directors interest statement is contained in Part C of the Notice of Meeting.

7.6 Directors recommendations

A Directors recommendation statement is contained in Part C of the Notice of Meeting.

7.7 Voting requirements

Resolution 4 of the General Meeting is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders or CDI Holders.

