



www.youayou.com



# You A You

The first travel platform to provide Chinese tourists to Australia & New Zealand with a payment service that facilitates transactions in local currency (RMB)



Limited  
time offer



Quality  
Assurance



Low  
commitment



Cancellation  
guarantee



Distance  
definitions



Full  
service

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# Company Overview

You A You (**YOU**) is the first travel platform to provide Chinese tourists in Australia & New Zealand with a payment service that facilitates transactions including travel, restaurants and shopping in local currency.

YOU uses a payment technology platform to extend the travel experience for Chinese travellers in Australia & New Zealand. Scan code (QR) technology embedded in hotels, restaurants, shops, attractions enables the payment of transactions in local currency (RMB) via the travellers preferred form of mobile payment (AliPay, WeChat) on their phone.

# Platform Overview



Customer in China  
Pre-book via website  
Redeem via QR code

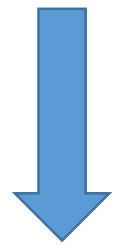


Customer in Australia  
Book direct at PoS  
Pay via QR code



## Transaction conducted:

- in local currency (RMB)
- via China payment
- in real time



## Money transfer:

- from m-platform to YOU in real time
- From YOU to supplier in 3-7 days +
- Converted from ¥ to \$



# Investment Highlights

**Target:** to become the leading travel platform in Australia & New Zealand that provides Chinese tourists with a payment service covering travelling, food and shopping transactions

**Slogan:** One mobile, One world

**Market position:** B2B2C + B2C

**Market capacity:** in 2015, 136 million Chinese tourists travelled overseas, with total spend of US\$229 Billion; forecast to grow to US\$422B in 2020 from 234 million trips.

**Opportunities:** YouaYou China is the only company that provides a payment technology platform for, and is the leading travel supplier to, Chinese tourists in South East Asia. YouaYou Australia (**YOU**) to roll-out this technology platform and infrastructure in Australia & New Zealand.

**Australia/NZ license:** YOU's exclusive license with YouaYou China provides a wholesale distribution network of 6,000 agents in China, 300,000 active users and 1 million existing members. YouaYou China provides dedicated support and product development teams; shared IT infrastructure; and, access to a payment technology platform that includes interfaces with AliPay (Alibaba) and WeChat (TenCent).

**Operational status:** YouaYou China has a network of 5,000 suppliers in South East Asia, a distribution of 30,000 travel outlets in China; 5 offices in China, 5 service support offices in South East Asia countries; 40M RMB/month turnover

# Market - General

In 2014, of the 1,390 million people from mainland China, 136 million international travel journeys occurred, with total consumption of US\$229B. This number is forecast to grow to US\$422B in 2020 from 234 million travel journeys.

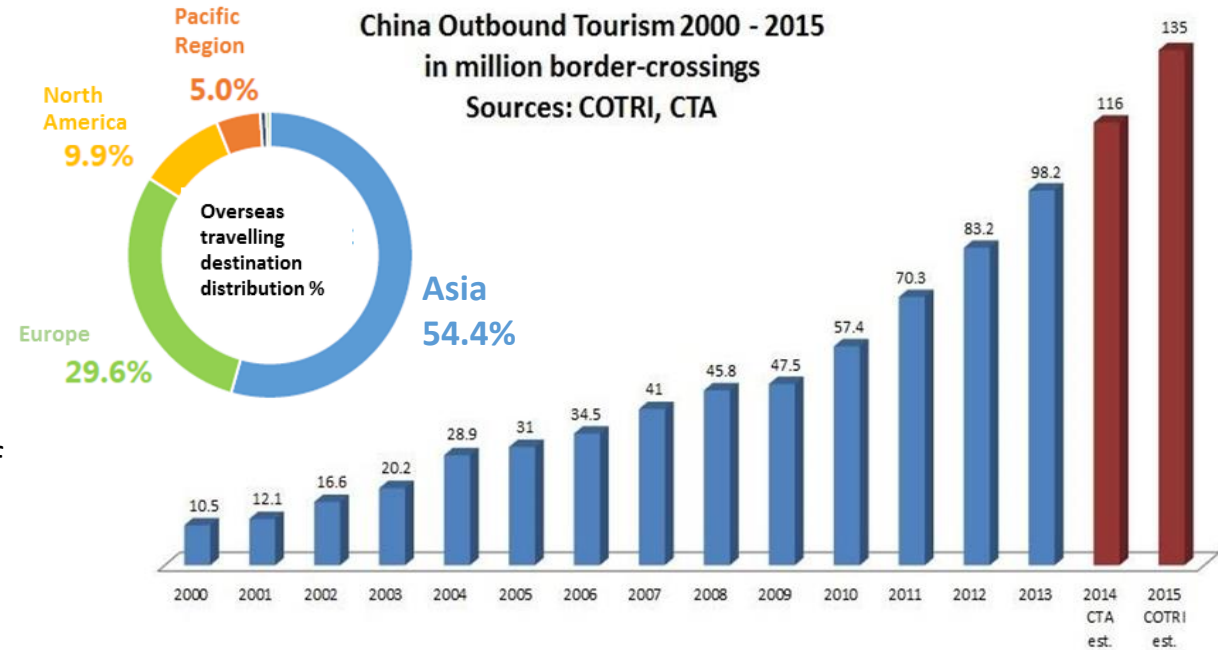
The Free Independent Travel segment (FIT) currently accounts for 70% of the Chinese outbound market. This number is expected to grow exponentially.

Chinese leisure travellers look for world class beauty, interesting attractions and safety and security when choosing a holiday destination.

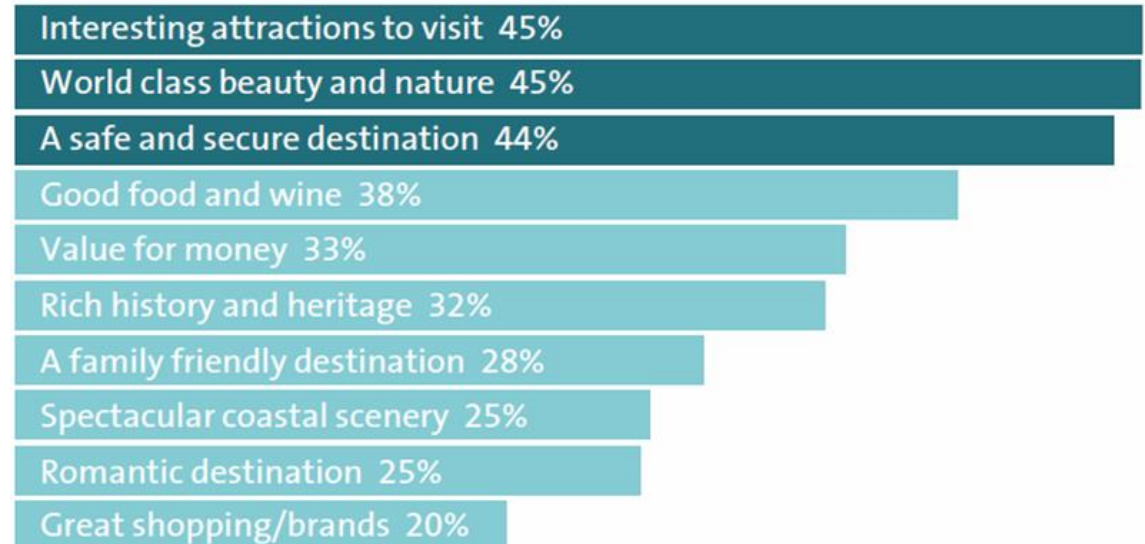
As the Chinese tourist matures, destinations such as USA, Europe and Australia/NZ are becoming more popular.

The sophisticated Chinese tourist is typically in top 20% of socio-economic bracket and looks for new experiences to relate to their affluent peer group.

This traveller prefers FIT holidaying, which provides more freedom when spending, but needs more information and servicing to assist the traveller



## Motivations when selecting a travel destination



# Market - Australia

Australia currently attracts over 1M Chinese tourists/year, growing at 20% YoY for last 5 years, with spend of \$7B growing to \$10B in 2018

YOU to become the *first company* to offer travel payment services targeting the Chinese FIT travellers to Australia & New Zealand

Australia is an aspirational destination for this market – it is safe, has ideal weather, is naturally beautiful, and sought out by the education market

Australia’s coastline, wildlife, and food and wine are the most appealing attractions, with wildlife rating as the most preferred Australian experience

The Chinese tourist, whilst aspiring to travel to Australia, is still wary of cultural differences, language barriers and trust in supplier

## Visitor profile<sup>2</sup>

### HOLIDAY

- » 294,500 arrivals (50%\*)
- » \$4,201 spend per trip
- » \$446 spend per night
- » 31% repeat visitors



### VISITING FRIENDS AND RELATIVES

- » 109,600 arrivals (18%\*)
- » \$3,968 spend per trip
- » \$67 spend per night
- » 63% repeat visitors



### BUSINESS

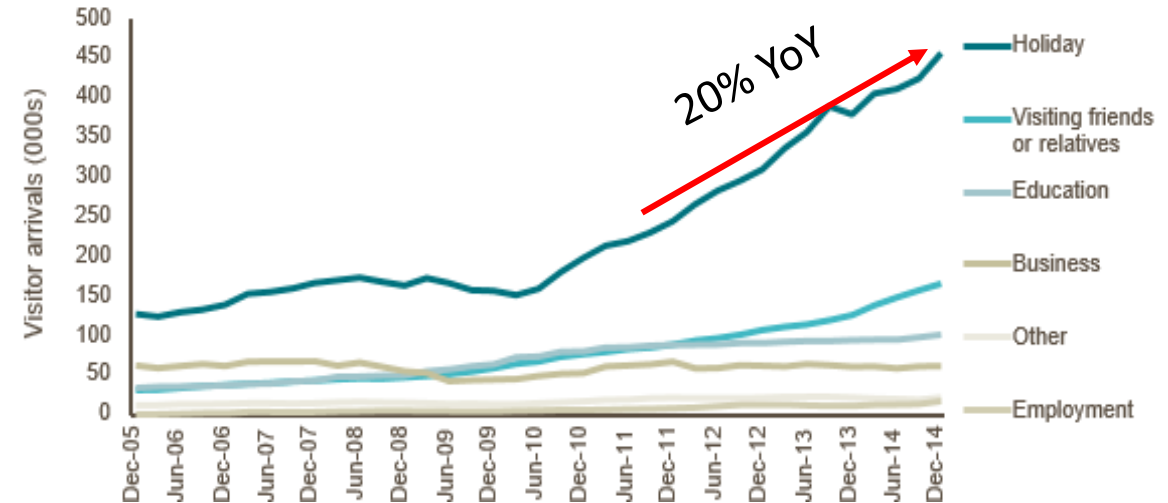
- » 62,800 arrivals (11%\*)
- » \$5,200 spend per trip
- » \$287 spend per night
- » 50% repeat visitors



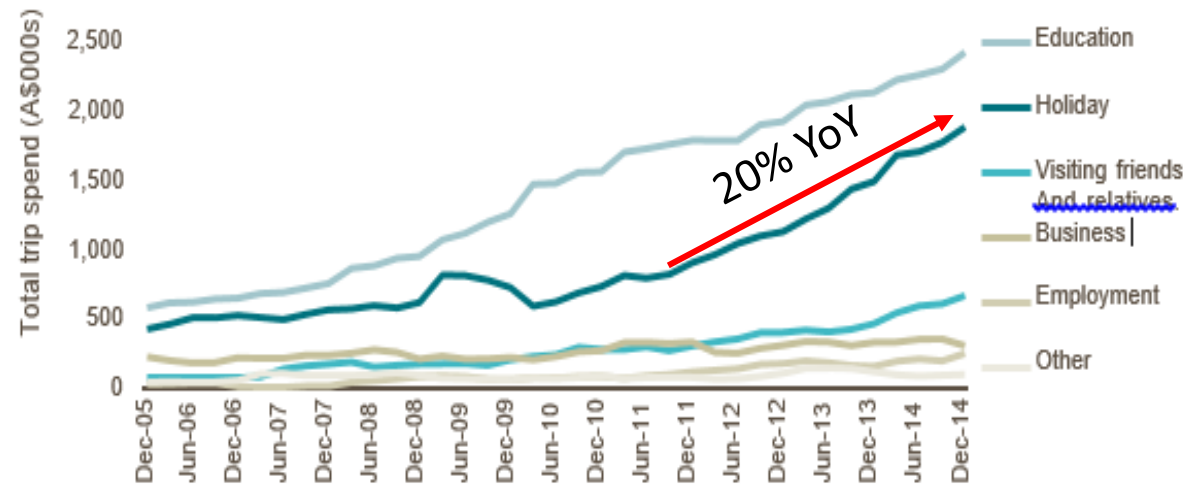
Data refers to an average of 2010-2014

\* Refers to share of arrivals of respective purpose of visit

## Visitor arrivals by main purpose of visit



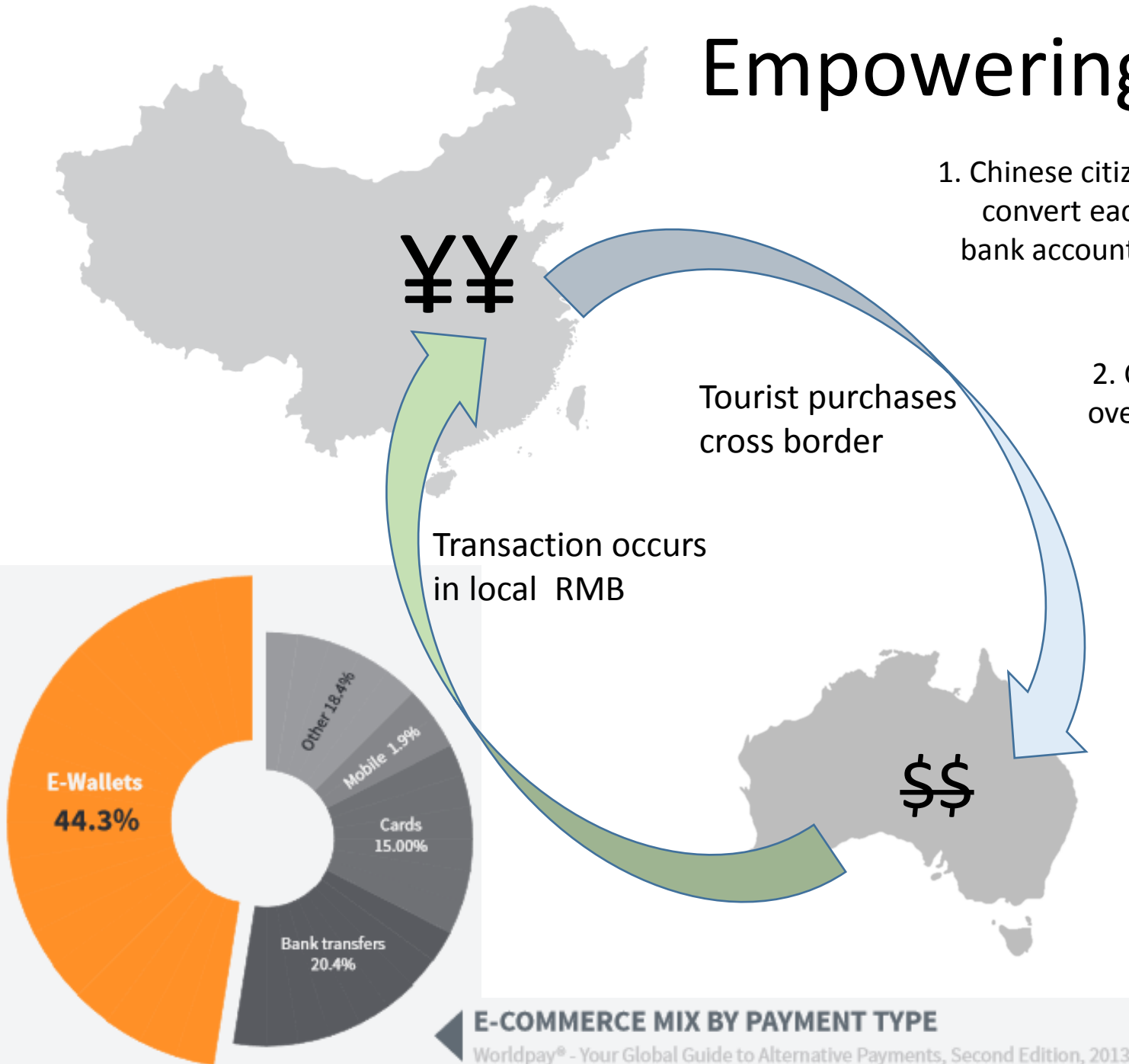
## Visitor expenditure by main purpose of visit





# Empowering the global consumer

1. Chinese citizens are limited in the amount of Renminbi (RMB) they can convert each year and have difficulty opening international credit and bank accounts, restricting the Chinese consumer in choice and quantity when shopping at overseas destinations.
2. China's most common credit cards are not widely accepted overseas and do not always work on international transaction platforms.
3. Dual-currency credit cards issued by Chinese banks are also problematic, with low credit limits and frequent rejection by overseas merchants.
4. The rise of e-wallets provides consumers with greater flexibility and mobility of payment method.





# The rise of e-wallets

1. Point phone at QR code



2. Supplier offers QR code at Point of Sale (PoS)

3. Scan the QR code at PoS with \$ amount



4. MSG sent to e-wallet via YOU CN

\$ converted to ¥

5. The QR code will immediately process the transaction



6. E-wallet confirms transaction and sends ¥ to YOU CN

7. Payment accepted and processed in real time



8. YOU CN sends ¥ to YOU -> sends \$ to Supplier

# E-payment platforms

**YouaYou China** has agreements in place with the 2 top Chinese mobile payment platforms hosted by Alibaba and Tencent. Using a **digital wallet service**, the technology enables consumers to make payments without paying real cash.

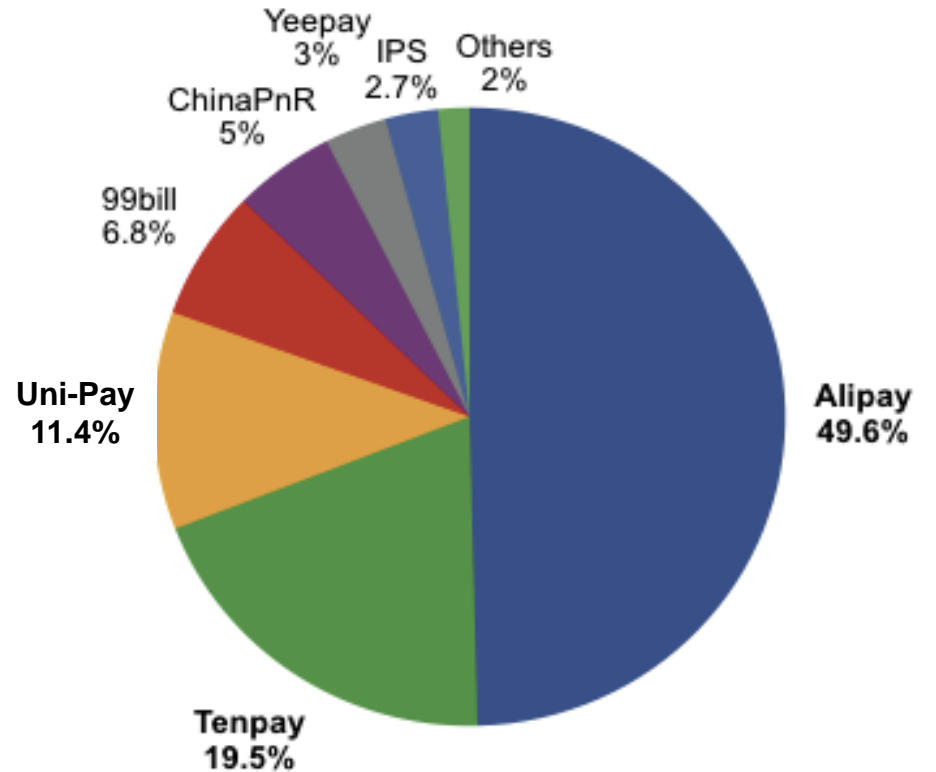


The service links debit or credit cards to **AliPay** and **WeChat** digital wallets. The users can send cash to each other, make P2P transfers, and pay for services and consumables.

Consumers can make transactions through scanning **QR codes** at retailers supporting the Scan Code mobile payments platform.

**YOU** is introducing the Scan Code technology to Australia and New Zealand focusing on Chinese tourists as early adopters.

Market share of third-party payment platforms in China



Source: iResearch, Feb. 2015

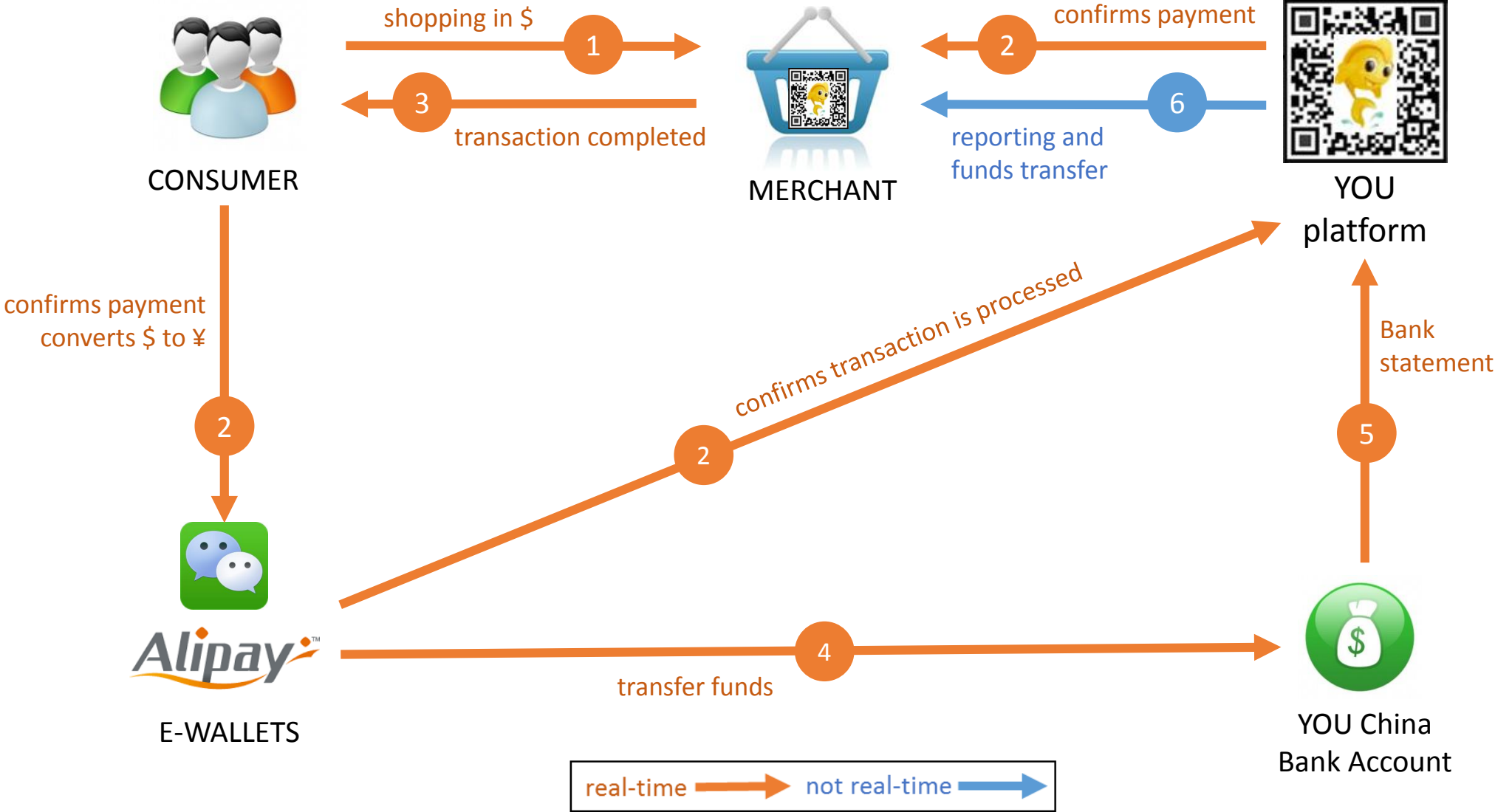
## China Q3 2015:

**Mobile payment services** reached 4.542 billion transactions valued at US\$2.83 trillion.

**Phone payments** accounted for 78 million transactions worth US\$740 billion, increasing 136% YoY and 203% YoY respectively.

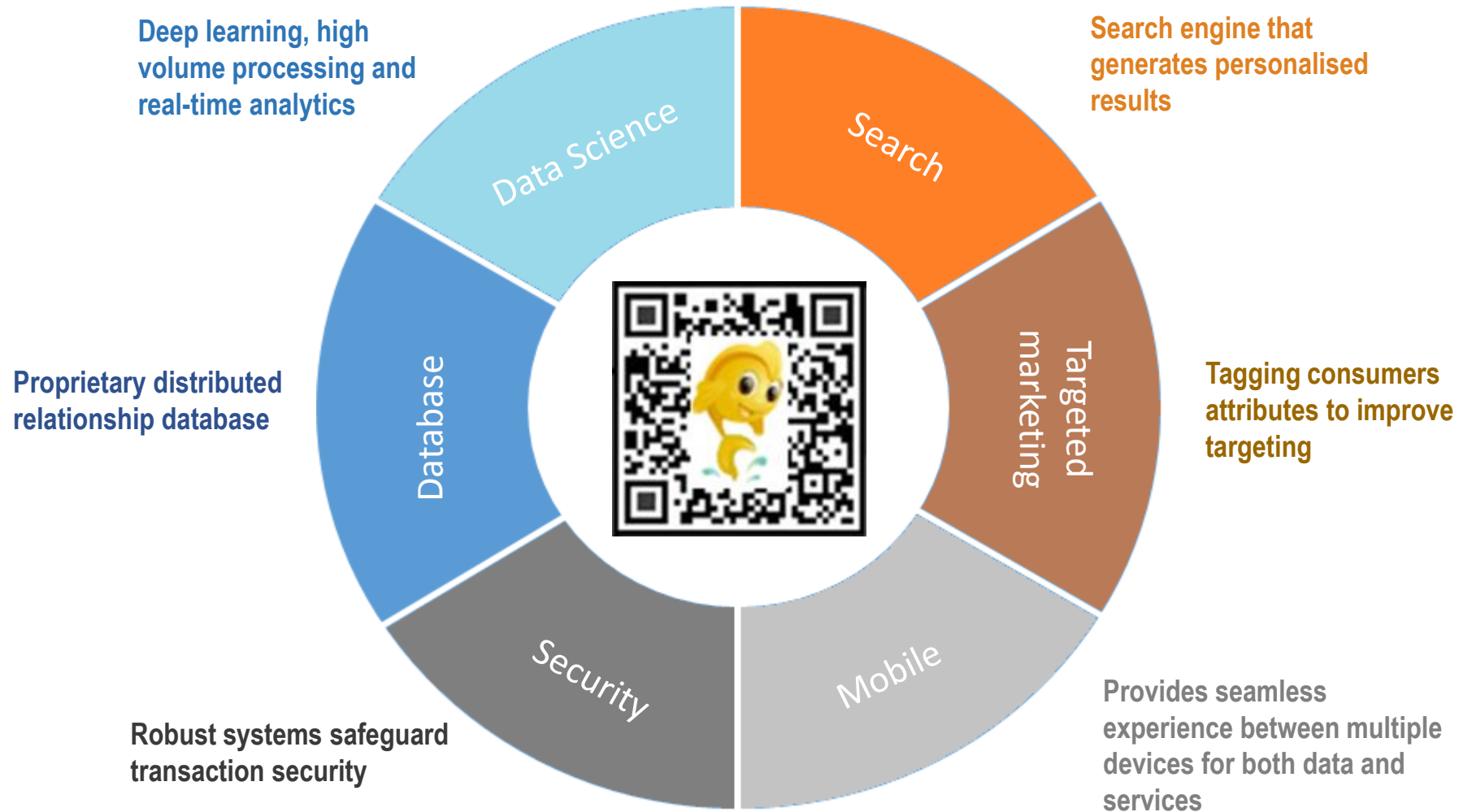
(China Internet Watch 18/12/2015)

# Disruptive Transaction Model



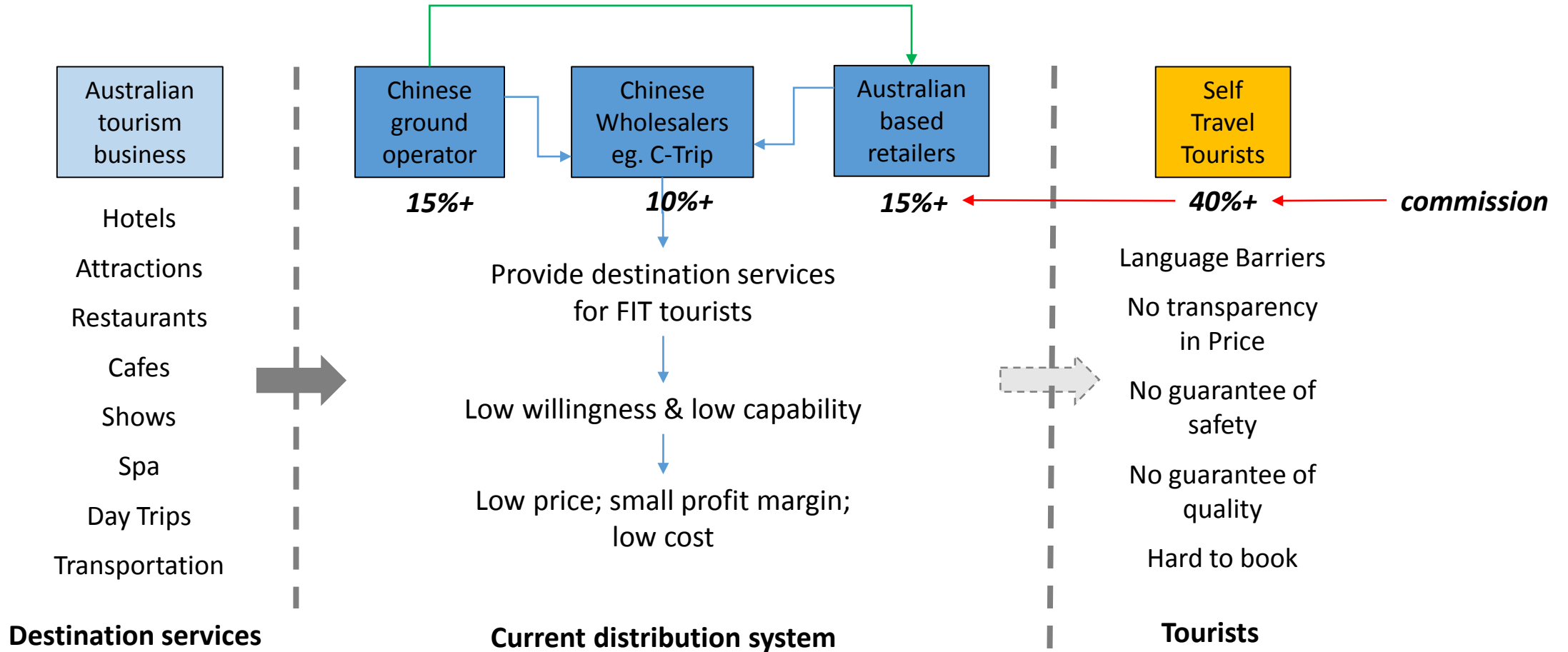
# Technology and Data Platform

Improved customer insights, better targeting, monetization



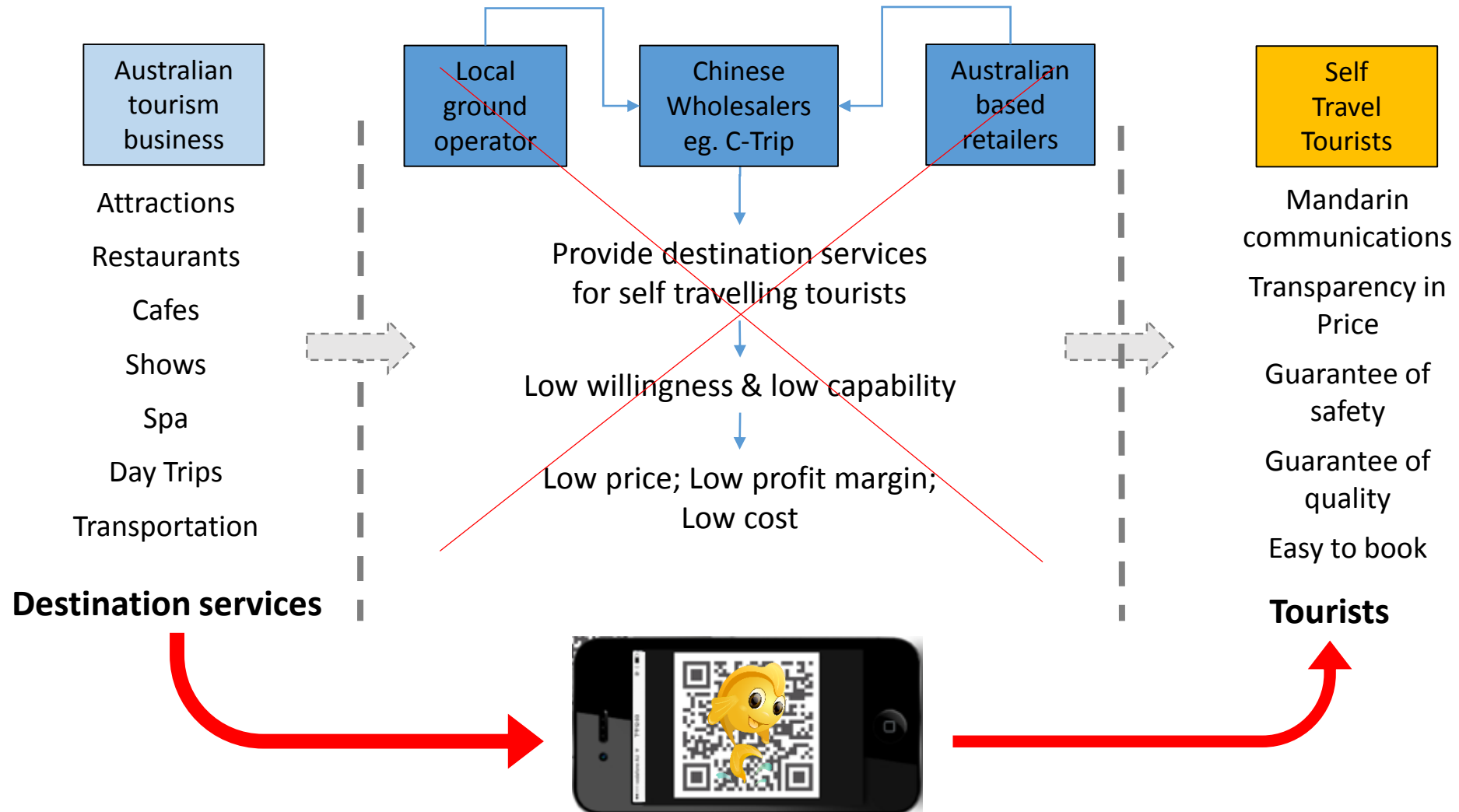
# Tourism Barriers:

- language, price, safety and service quality



# Disruptive model -

- reduce commission paid by customer; improve customer experience



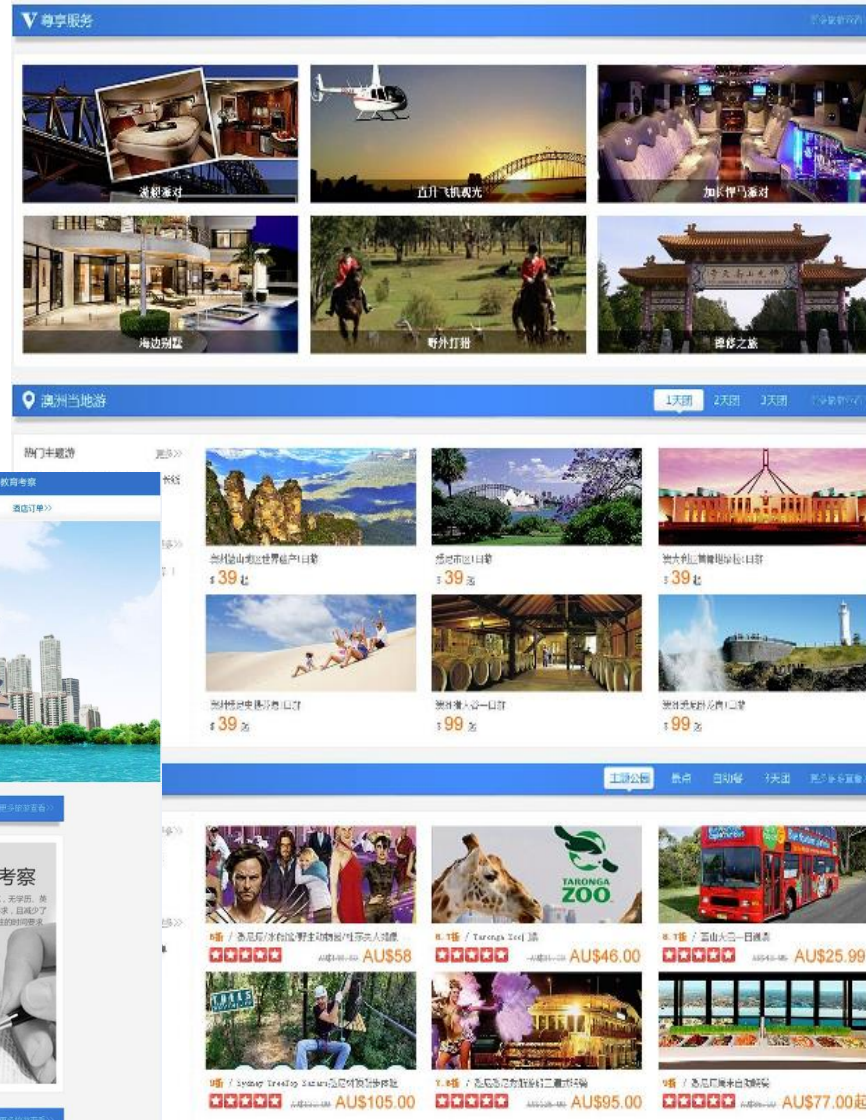
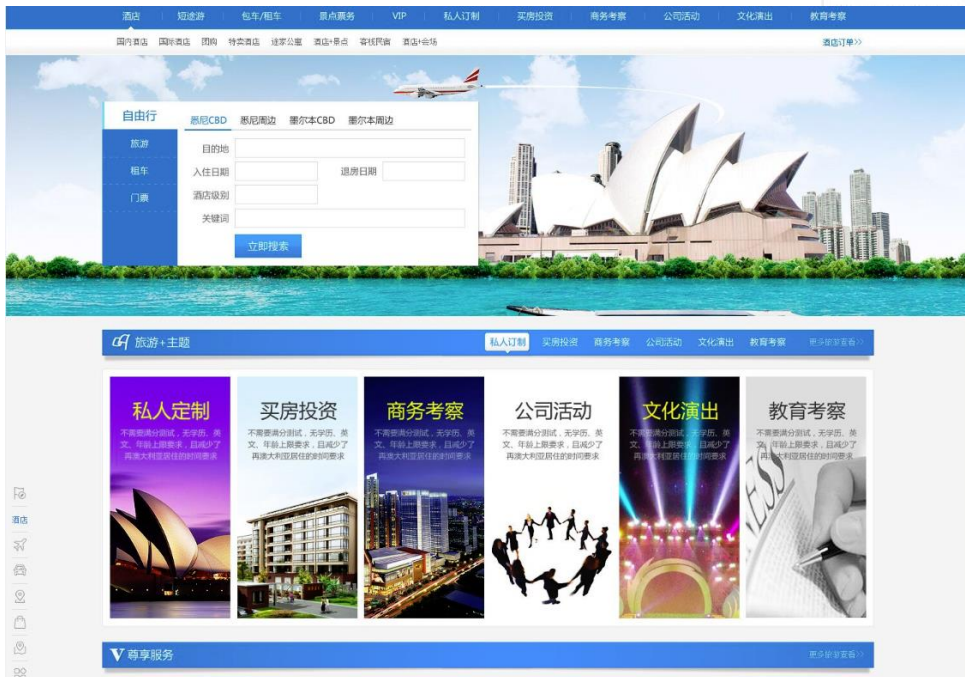


# Operation Platforms

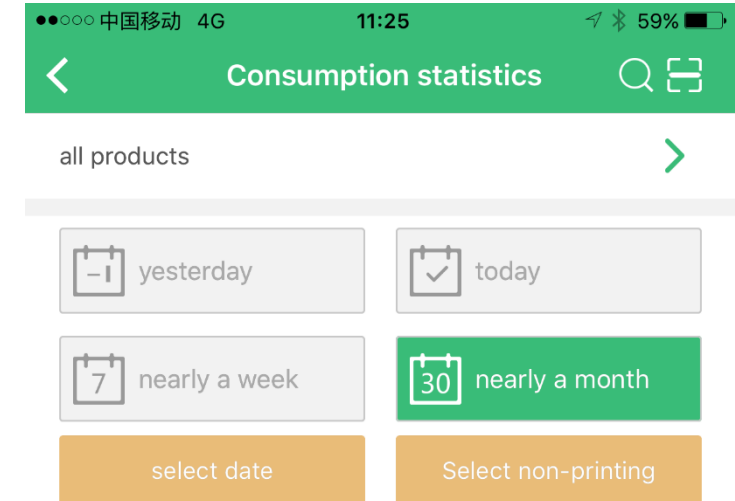
**YOU Australia** website to link directly to YouaYou China to ensure customer experience is maximized.

**YouaYou China** staff to assist with product development and technical support

## Website



## Business App



2016-02-02~2016-03-03 Verification 2554  
total amount of money: \$1097016

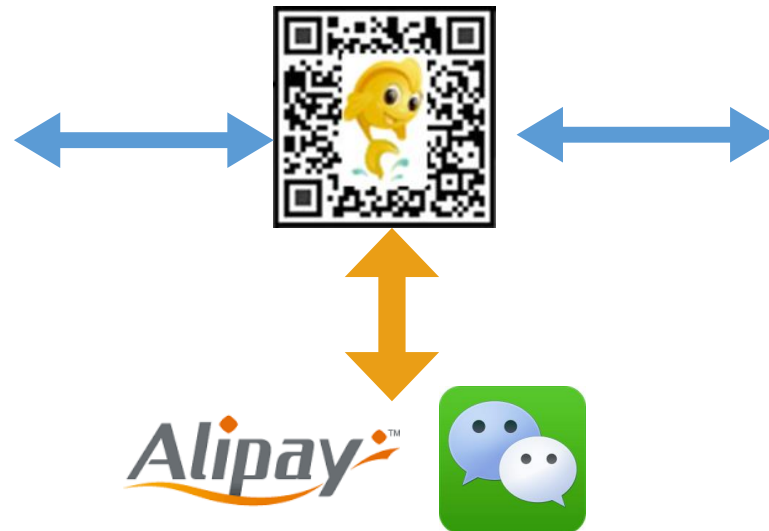
255	4	coupon number:534555471572 Total amount:\$400 Kind of discount:0% discount paid amount:\$400	2016-03-02 20:18
255	3	coupon number:523125131290 Total amount:\$420 Kind of discount:0% discount paid amount:\$420	2016-03-02 20:17
255	2	coupon number:315269974356 Total amount:\$300 Kind of discount:0% discount paid amount:\$300	2016-03-02 20:13
255	1	coupon number:375320072456 Total amount:\$300 Kind of discount:0% discount	2016-03-02 20:11



# Guaranteed discount and service provision –

Relate QR code with guaranteed benefits, including:

- quality of service/product
- value add services
- use of local currency
- reduced credit card service charge
- Alipay charge merchant fees to settle, fees lower than MC, VISA etc
- Mandarin or Cantonese speakers, service and pricing



# YouaYou China operation

A leader in the South-East Asia tourism industry

**Customer base:** 1,000,000 registered users - 300,000 active users in 2015

**Market:** Largest travel supplier to Chinese tourists visiting Thailand, Vietnam and Cambodia

**Overseas offices:** Phuket, Cambodia, Vietnam, Danang, Nha Trang

**Chinese offices:** Beijing, Shanghai, Guangzhou, Chengdu, Nanning, Yangzhou etc

**Number of destination business partners:** >5,000 in South East Asia

**Chinese agents:** >30,000

**Monthly turnover:** 40 million RMB (AUD \$8.9M) B2B2C and B2C

**Strategic partnerships:** Leading supplier to C-Trip; Vietnam airlines partner

# Marketing and Operational Plans

Improving brand awareness and credibility

## Marketing

*Advertisements in Mandarin platforms:* WeChat advertising, business partnerships and outdoor marketing eg Airports and City based Information Centres

*Direct customer benefit:* (initially) all the discounts given by businesses will be directed back to tourists in the form of coupons and points

## Supplier development

*Develop required scale of business partners by sector:* hotels, transport, restaurants, attractions, shopping, cafes, experiences etc.

*Destinations:* Target Sydney and Melbourne as initial tourist destinations in 2016, then expand to Gold Coast, Cairns and Auckland in 2017, Australian and New Zealand regions 2018

## Multiple profit channels

*Upon critical mass, focus on developing the following profit channels:*

- Commission and marketing fees from suppliers
- Advertising fees from suppliers for promoting their products to Chinese users
- Money bank – P2P lending potential

# Advantages of YouaYou China agreement

Resources + Business Model + CRM + Platform = Benefit of Scale

## Resources

YOU China has more than 10 years of experience in the wholesaling of tourism products

YOU China influence more than 25% of Chinese tourists in South East Asia

YOU China wholesale through more than 30,000 outlets, #1 agent is C-Trip (and leading wholesaler **FOR** C-trip)

## Platform & Customer

Ability to target over 1M existing customers, including 300,000 active scan code users per annum

Multi destination marketing and cross promotion opportunities (SE Asia, AU/NZ)

Customer retention, customer feedback and familiarity with payment type/model

Quality interaction with clients offline

## Business model

Ability to duplicate business model to other countries (English speaking)

Take advantage of the size of the client base and shared costs

Technology already in place regarding payment systems (AliPay, WeChat)

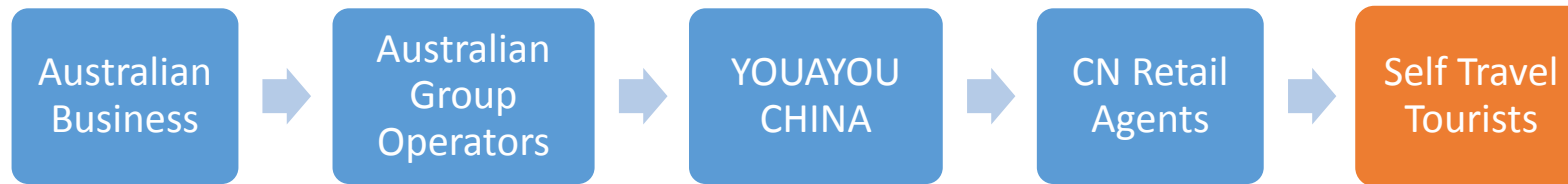
Ability to introduce other payment systems (Apple Pay, SamsungPay, YOUPay)

# Competitive Analysis

- The leading B2B2C and B2C payment platform for Chinese international tourists

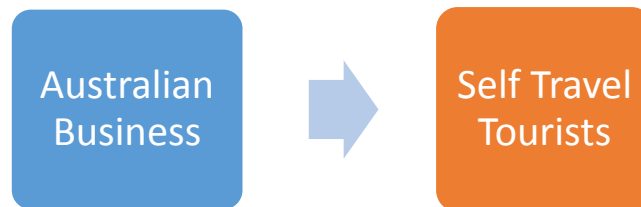
## **B2B2C (link business to customer)**

*Pre Payment (China) Product:* flight tickets, accommodation, restaurants, airport pick-up, attraction tickets etc. Approximately 70% of revenue



## **B2C (link directly to customer)**

*Consumption Product (Australia based):* Restaurants, shops, last minute bookings, cafes. Approximately 30% of revenue



You A You: end-to-end travel service for Chinese tourists

# Revenue forecasts – YOU China

Revenue and profit from Scan code technology is expected to exceed traditional wholesale business by 2018

YOU AU expects profitability from scan code technology in Australia region to mirror that of YOU CN in Vietnam – break even after 18-24 months

