

Half year results presentation

31 August 2016



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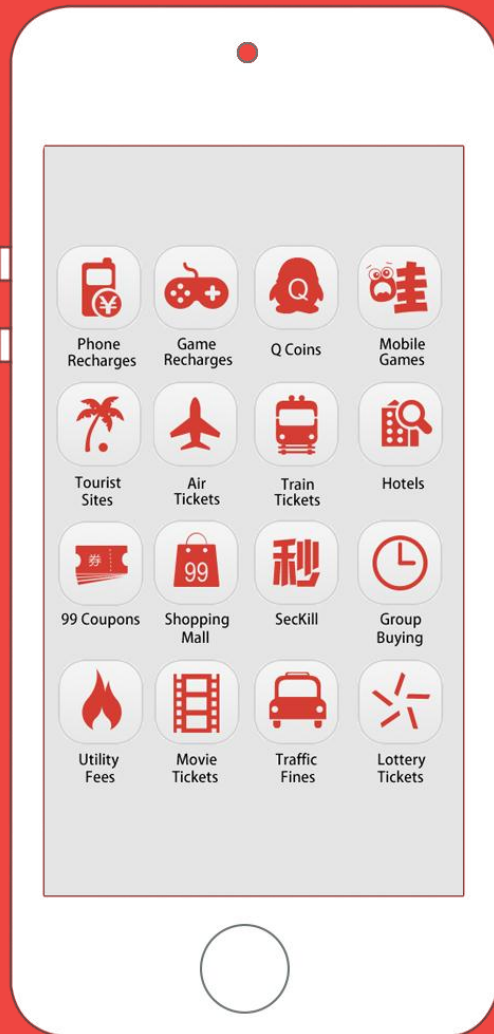
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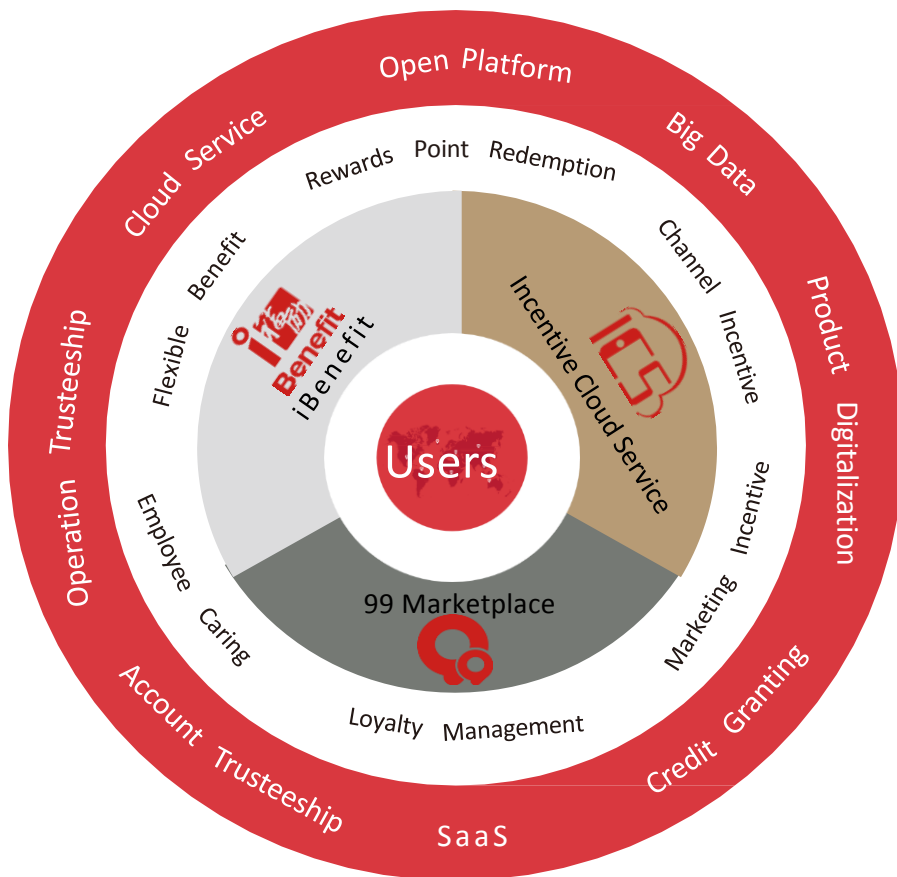


99 Wuxian is a leading mobile internet gateway, providing comprehensive incentive solutions for business partners, connecting their customers and employees with high quality merchants for transactions.



Gateway + Service + Transaction

Unique Ecosystem



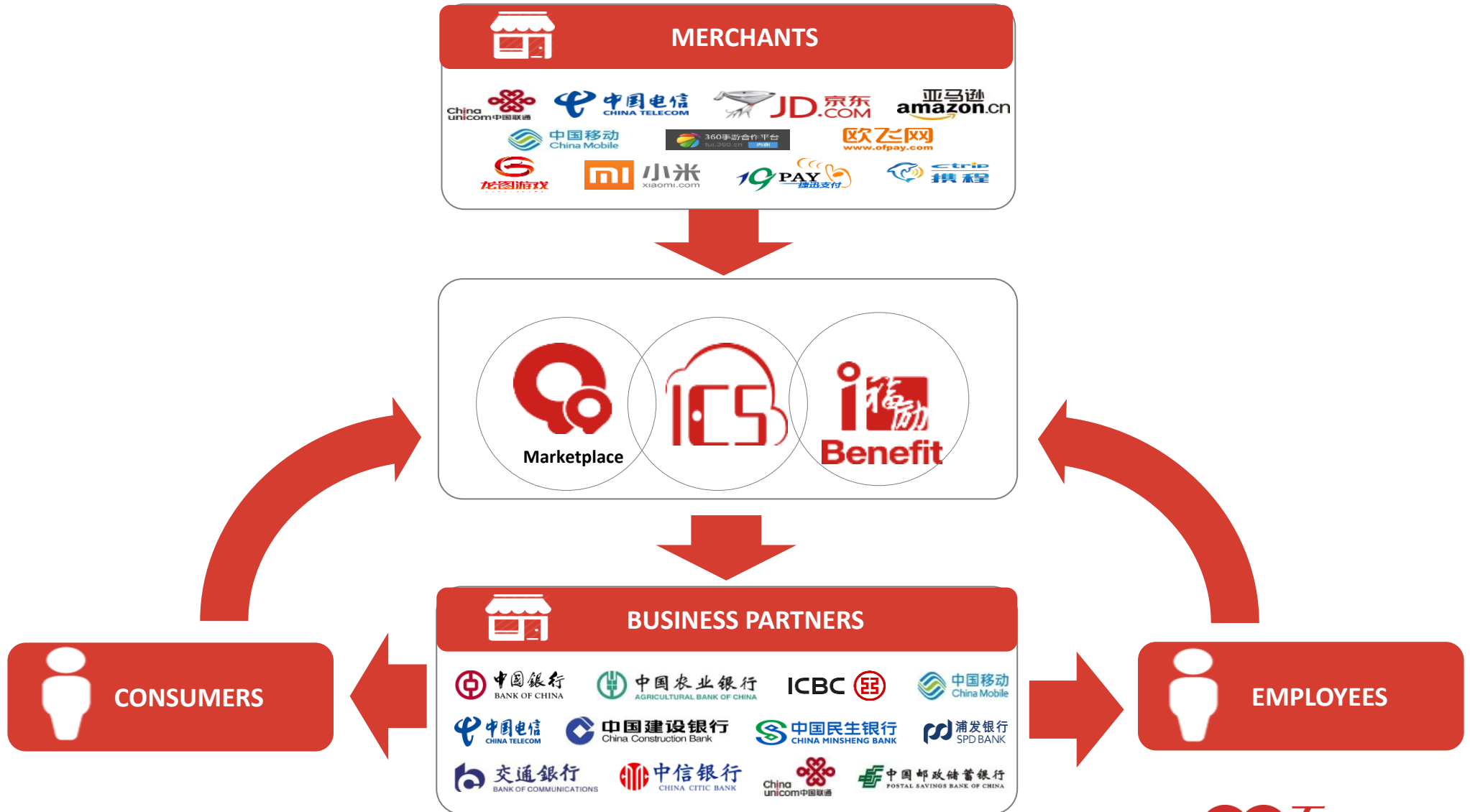
Connecting business to their customers and employees

- 99 Wuxian is a leading Chinese enterprise-level mobile internet gateway, focused on providing comprehensive solutions allowing businesses partners and their customers and employees to connect with leading merchants for transaction based revenues.
- With the advanced cloud based technology and a solid experience gained from years of operation with the mobile Internet, 99 Wuxian provides business partners with value-added applications, m-commerce, user and employee incentive solutions, data mining, precision marketing and other mobile Internet services via its proprietary platforms including 99 Marketplace, Incentive Cloud Service ("ICS") and iBenefit.
- Further, 99 Wuxian is continuing to expand its traditional business partners namely China's leading Financial Institutions to other industries, through user incentive and employee incentive solutions.



Unique Ecosystem

Offers a value proposition that connects business partners' high-value consumers with merchants



Current Business Offerings



99 Marketplace

Convenient mobile marketplace

99 Marketplace is a convenient mobile market gateway focusing on providing virtual and physical products including phone and game recharge, shopping, utilities payment, transportation, e-coupons and other O2O services.

Designed to enhance business partners' engagement with their customers by providing a convenient platform to connect with the marketplace.

Offers business partners a one-stop solution including whole-process operation services and precision marketing based on consumer behavior analysis.



Incentive Cloud Service

Clouded service platform for flexible incentives

Incentive Cloud Service ("ICS") focuses on providing loyalty point redemption platform for business partners to manage their customers' rewards redemption and providing marketing and channel incentives.

ICS provides a one-stop incentive solution for business partners creating a streamline, transparent and cost effective platform for business partners to engage with their customers.



Employee loyalty and reward benefits

iBenefit provides an employee loyalty and reward benefit redemption platform for business partners to efficiently manage their employee benefit, incentive and loyalty programs.

iBenefit provides a one-stop employee benefits solution designed to incentivise performance and increase employee retention through employee benefit redemption.



Key Highlights

99 Wuxian delivers significant profitable growth in 1H 2016 from 1H 2015

+52%

Net Revenue

RMB 123.4m / AUD 25.7m

+112%

Underlying EBITDA

RMB 11.5m / AUD 2.4m

+165%

Underlying EBIT

RMB 8.4m / AUD 1.8m

+66%

Underlying PBT

RMB 5.3m / AUD 1.1m

Note: RMB translated into AUD using the average rate of AUD/RMB 4.7958 for the period 1 January 2016 to 30 June 2016.

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

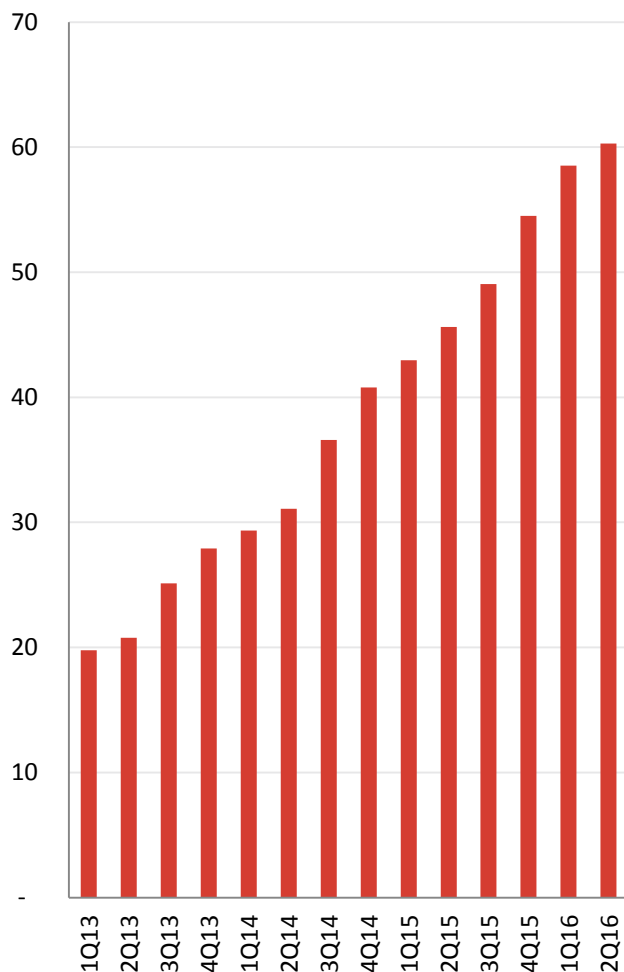




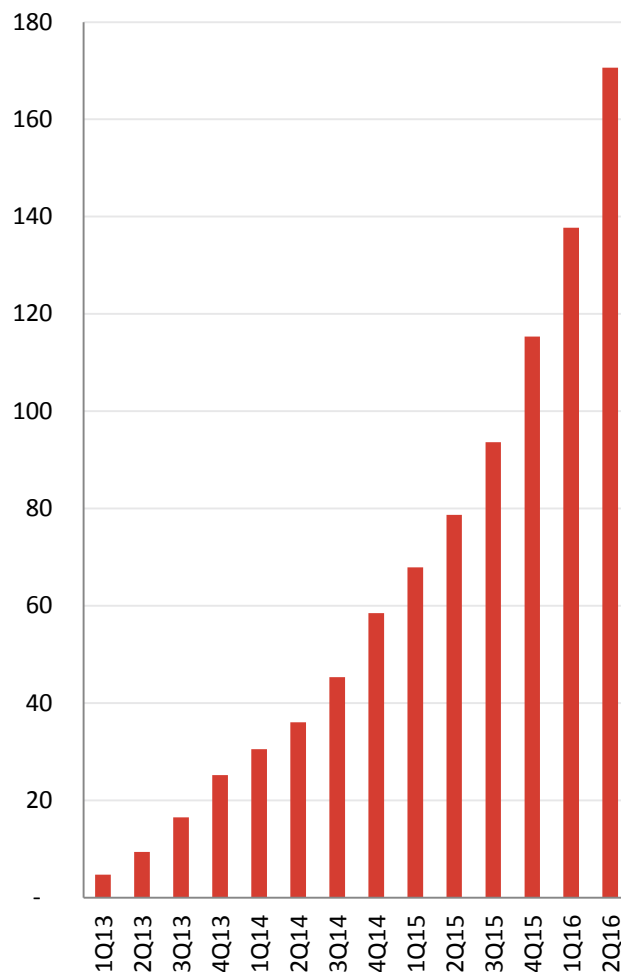
Sustained Platform Growth

Consistent growth in registered users, transactions and GTV

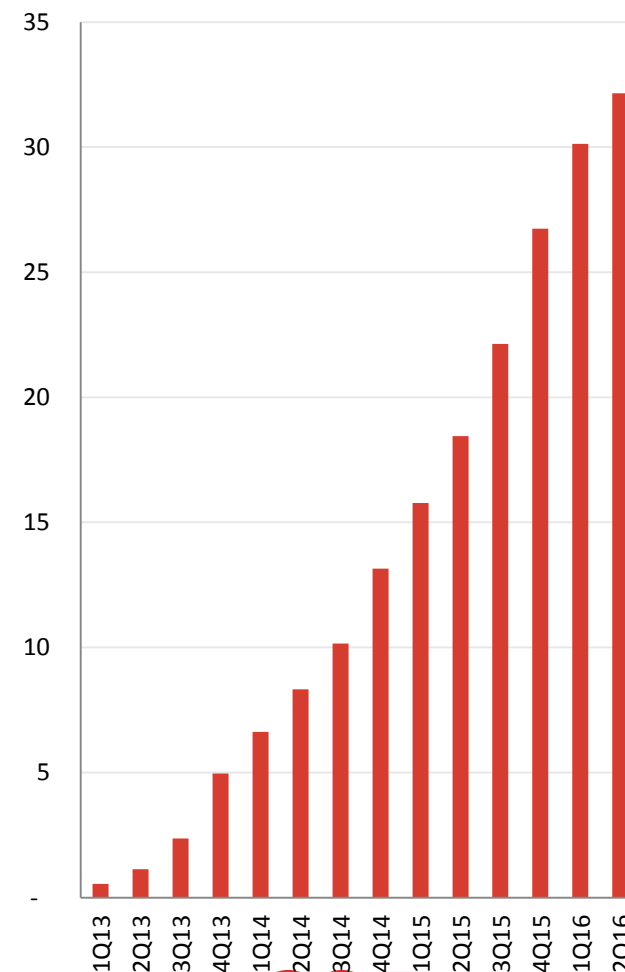
Registered users (mm)



Cumulative transactions (mm)



Cumulative GTV (RMB bn)



Note: Based on management accounts that have not been audited or reviewed.





Results Highlights

99 Wuxian delivers significant financial performance underpinned by strong operating performance...

- Significant financial performance in 1H 2016, highlighted by:
 - Net revenue of RMB 123.4mm (AUD 25.7mm), up 52% on 1H 2015
 - Underlying EBITDA of RMB 11.5mm (AUD 2.4mm), up 112% on 1H 2015
 - Underlying EBIT of RMB 8.4mm (AUD 1.8mm), up 165% on 1H 2015
 - Underlying profit before tax of RMB 5.3mm (AUD 1.1mm), up 66% on 1H 2015
- Financial result underpinned by strong operating performance in 1H 2016:
 - Registered user base of 60.3mm
 - 55.3mm transactions on the platform
 - Gross Transaction Value of RMB 5.4bn (AUD 1.1bn)

Note: RMB translated into AUD using the average rate of AUD/RMB 4.7958 for the period 1 January 2016 to 30 June 2016.

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





Operations Highlights

... and continues to successfully execute its growth strategy

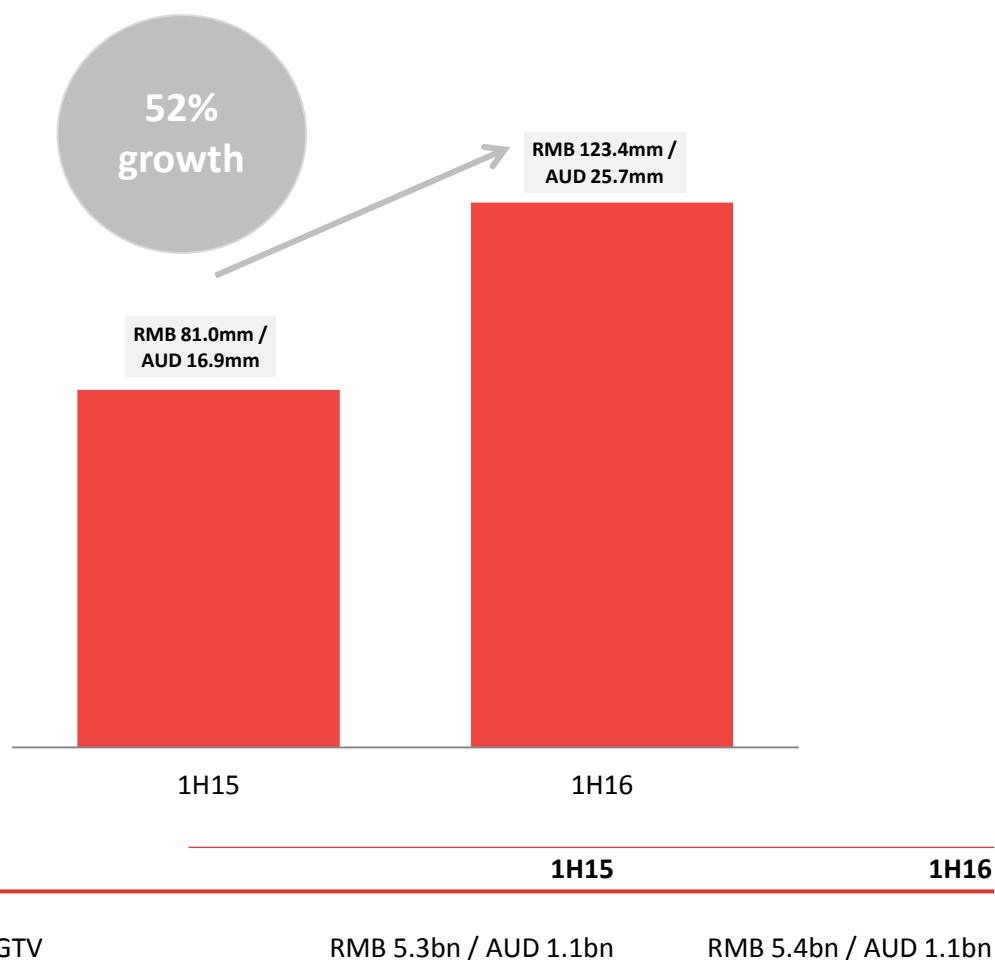
- iBenefit's reach into insurance sector by partnering with Ping An Health, a professional health insurance company under Ping An Insurance (Group) Company of China, Ltd., and Zhong An Property Insurance with strong online presence
- ICBC's mobile banking marketing event called "Seeking the Goddess of Wisdom" sponsored by 99 Wuxian
- iBenefit mobile point redemption platform launched, and a new function called i-Incentive launched
- iBenefit contract signed with ThyssenKrupp Elevator (China), one of the world's leading elevator companies, and China Sinogy Electric Engineering Co., Ltd., a high profile Chinese state owned enterprise, to provide employee incentive solutions
- Incentive Cloud Service contract signed with Hong Kang Life Insurance to establish a customer loyalty platform
- iBenefit contract signed with Huazhu Hotel Group, a leading Chinese hotel group listed on NASDAQ, to provide healthcare incentives to its employees
- Highly successful marketing campaign to improve customer engagement for Zhejiang Rural Credit Cooperative with more than 150,000 customers already responding
- Incentive Cloud Service contract signed with China United Insurance to establish its loyalty platform



Operating Performance

Constantly growing revenue and GTV

Net Revenue



Commentary

- Net revenue and GTV growth driven by increase in number of transactions
- Number of transactions grew significantly benefiting from proactive user acquisition and engagement strategy
- Contracted partners expanded from financial institutions and telecommunications to companies in various sectors, enlarging the pool of underlying customer base
- Ongoing discussions with current and future potential business partners to adopt the loyalty point redemption platform and the employee benefit redemption platform

Note: RMB translated into AUD using the average rate of AUD/RMB 4.7958 for 1H16 and 1H15 to eliminate the exchange rate impact.





Acquisition Update

- 99 Wuxian entered into a conditional agreement to acquire Jiangsu Ofpay E-commerce Limited (“Ofpay”), a leading upstream wholesaler of online transaction services and products in 2015
- An initial payment of RMB 160 million (AUD 34.1 million) was made to the Vendor funded by a non-recourse loan from Grand Ease Holdings Limited (an associated entity of the CEO, Amalisia Zhang) for RMB 140 million
- Deferred payments are payable, contingent upon certain performance targets being achieved
- As at 30 June 2016, certain conditions contained in the acquisition agreement had not been fulfilled and therefore not completed
- 99 Wuxian is considering all current alternatives in this regard and will keep the market informed accordingly



Marketing Initiatives

99 Wuxian continues to partner with leading Chinese banks on effective marketing campaigns



March 2016 – August 2016

- Joint marketing campaign carried out on SPD Bank's internet banking platform
- SPD Bank VIP customers enabled to purchase SINOPEC petrol cards with face value of RMB500 at 10% discount



June 2016 – June 2016

- Joint marketing campaign with China Minsheng Bank on Wechat terminal
- The first 99 China Minsheng Bank's Wechat banking users entitled to 10% discount on SINOPEC petrol cards with face value of RMB100



April 2016 – April 2016

- Joint marketing campaign carried out on ICBC's mobile banking platform
- The first 99 ICBC mobile banking users enabled to purchase discounted Yum cards



June 2015 – March 2016

- Joint marketing campaign launched together with Bank of Jiangsu
- Customers offered 5% discount on RMB100 mobile top up



Summary profit and loss

Inspiring 1H 2016 revenue and profit

	RMB millions		AUD millions		Change (%)
	1H 2015	1H 2016	1H 2015	1H 2016	
Half year to 30 June					
Total revenue	85.9	128.5	17.9	26.8	50%
Net revenue	81.0	123.4	16.9	25.7	52%
Gross profit	51.7	53.7	10.8	11.2	4%
<i>margin (%)</i>	63.8%	43.5%	63.8%	43.5%	(2,024bps)
Selling expenses (excluding D&A)	(12.3)	(18.5)	(2.6)	(3.9)	51%
Administration expenses (excluding D&A)	(33.9)	(25.7)	(7.1)	(5.4)	(24%)
Other revenue	-	2.1	-	0.4	na
Other gains and losses	(0.5)	0.1	(0.1)	0.0	(125%)
EBITDA	5.0	11.6	1.0	2.4	133%
<i>margin (%)</i>	6.2%	9.4%	6.2%	9.4%	328bps
D&A	(2.3)	(3.1)	(0.5)	(0.7)	38%
EBIT	2.7	8.5	0.6	1.8	213%
Net interest expense	0.0	(3.1)	0.0	(0.6)	na
PBT	2.7	5.4	0.6	1.1	97%
Tax	(1.0)	(3.2)	(0.2)	(0.7)	215%
NPAT	1.7	2.2	0.4	0.5	28%
<i>margin (%)</i>	2.1%	1.8%	2.1%	1.8%	(34bps)
Underlying EBITDA	5.4	11.5	1.1	2.4	112%
<i>margin (%)</i>	6.7%	9.3%	6.7%	9.3%	263bps
Underlying EBIT	3.2	8.4	0.7	1.8	165%
<i>margin (%)</i>	3.9%	6.8%	3.9%	6.8%	290bps
Underlying PBT	3.2	5.3	0.7	1.1	66%
<i>margin (%)</i>	3.9%	4.3%	3.9%	4.3%	34bps

Commentary

- Net revenue growth of 52%
- Outstanding operating performance
 - Underlying EBITDA up 112%
 - Underlying EBIT up 165%
 - Underlying PBT up 66%
- Contributed by consistent implementation of the business strategy to increase registered users and enhance user engagement, and continuously improved operating efficiency

Note: RMB translated into AUD using the average rate of AUD/RMB 4.7958 for 1H 2016 and 1H 2015 to eliminate the exchange rate impact.





Summary balance sheet

Strong balance sheet which continues to evolve in line with the business

	RMB millions		AUD millions	
Half year to 30 June	1H 2015	1H 2016	1H 2015	1H 2016
Cash and cash equivalents	34.1	19.0	6.9	3.8
Trade and other receivables	212.3	253.8	43.0	51.4
Inventories	3.6	35.1	0.7	7.1
Intangible assets	52.0	52.3	10.5	10.6
Property, plant and equipment	6.3	9.3	1.3	1.9
Deposit paid	-	160.0	-	32.4
Other assets	3.4	17.9	0.7	3.6
Total assets	311.7	547.4	63.2	110.9
Trade and other payables	18.0	59.3	3.7	12.0
Other liabilities	10.2	143.9	2.1	29.2
Total liabilities	28.3	203.2	5.7	41.2
Net assets	283.4	344.1	57.4	69.7
Share capital	272.0	313.7	55.1	63.6
Reserves	11.4	30.5	2.3	6.2
Total equity	283.4	344.1	57.4	69.7

Commentary

- Cash balance of RMB 19.0mm
 - Disciplined cash management in growing the loyalty point redemption business
- Trade and other receivables balance of RMB 253.8mm
 - Growth due to increased transaction value generated by the loyalty point redemption business
 - High quality receivables from leading Chinese financial institutions
 - Includes prepayments to enable real-time virtual product delivery and receivables due from Handpay as a result of legacy contracts
- Net assets of RMB 344.1mm

Note: The spot rate of AUD/RMB 4.9344 as at 30 June 2016 is used for balance sheet items translation to eliminate the exchange rate impact.





Summary cash flow

Continued cash investment in the platform

	RMB millions	AUD millions
Half year to 30 June	1H 2016	1H 2016
Underlying EBITDA	11.5	2.4
Movement in working capital	(73.7)	(15.4)
Cash flow from operations	(62.1)	(13.0)
Purchases of property, plant and equipment	(1.1)	(0.2)
Additions of intangible assets	(0.5)	(0.1)
Cash flow from investing	(1.6)	(0.3)
Proceeds from issue of ordinary shares	41.7	8.7
Share issue expenses	(0.1)	(0.0)
Cash flow from financing	41.7	8.7
Net increase (decrease) in cash	(22.1)	(4.6)
Opening cash balance	40.9	8.5
Effect of exchange rate movements	0.1	0.0
Closing cash balance	19.0	4.0

Commentary

- Disciplined management of operating cash flow
- Operating cash flow continues to be invested into the growth of the platform
 - Funding working capital associated with the growth of the loyalty point redemption business
 - Development and launch of new initiatives and functions, such as iBenefit's mobile terminal and its new function called i-Incentive
 - Marketing initiatives
 - Recruitment of high quality staff
- Financing cash flow
 - A placement to investors to raise a total of RMB41.7 million



Outlook

Disciplined focus on executing growth strategy to deliver strong GTV and revenue growth

- 99 Wuxian has delivered consistent growth in key operating and financial metrics
- Looking forward, 99 Wuxian expects to continue to deliver growth in the future underpinned by the significant market opportunity and positive growth trends in the Chinese mobile commerce market. Particularly, 99 Wuxian expects even higher growth in the second half of the year, which is the peak period for the Chinese retail market, especially in November and December when electronic commerce festivals take place