



## APPENDIX 4D AND HALF YEAR FINANCIAL STATEMENTS

### 99 WUXIAN LIMITED

ARBN 164 764 729

30 June 2016

Lodged with ASX under Listing Rule 4.2A

This half year report covers the consolidated entity, consisting of 99 Wuxian Limited and its controlled entities. The financial statements are presented in Renminbi (RMB), the official currency of the People's Republic of China, unless otherwise stated.

The report is based on financial statements which have been reviewed by the auditor of the Company.

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**Details of the reporting period and the previous corresponding period**

Reporting period: 1 January 2016 to 30 June 2016  
 Previous corresponding period: 1 January 2015 to 30 June 2015

**Results for announcement to the market***Key information*

	Period ended 30 June 2016 RMB	Period ended 30 June 2015 RMB	% change
Revenue from ordinary operations	123,406,663	81,047,217	52%
Profit from ordinary operations after income tax expense	2,215,377	1,731,264	28%
Total comprehensive income attributable to members of the Company	2,215,377	1,731,264	28%

*Dividends*

No dividends have been paid nor are any dividends proposed to be paid.

**Condensed Consolidated Statement of Comprehensive Income**

Please refer to Page 2

**Condensed Consolidated Statement of Financial Position**

Please refer to Page 3

**Condensed Consolidated Statement of Changes in Equity**

Please refer to Page 4

**Condensed Consolidated Statement of Cash Flows**

Please refer to Page 5

**Additional dividend information**

The Company has not declared any dividends.

**Dividend reinvestment plan**

The Company has no dividend reinvestment plan.

**Net asset backing**

	30 June 2016 RMB	30 June 2015 RMB
Net tangible asset backing per ordinary security	24 cents	21 cents

At 30 June 2016, there were 1,159,682,763 shares on issue, which would convert to an asset backing of RMB 29.7 cents per share compared to an asset backing of RMB 26.5 cents per share as at 30 June 2015.

### **Controlled entities acquired or disposed of**

The Company didn't acquire or dispose any entity in the first half of FY2016.

### **Associates and joint venture entities**

The Company has no associates or joint venture entities.

### **Other significant information**

In 2015, 99 Wuxian announced the acquisition of Jiangsu Ofpay E-commerce Limited ("Ofpay") subject to a conditional agreement. 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, Amalisa 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. The Company is considering all current alternatives in this regard and will keep the market informed accordingly.

Other than the details disclosed herein, there is no other information that needs to be disclosed to investors

### **Foreign entities**

The reports have been prepared under Hong Kong Financial Reporting Standards.

### **Commentary on the operations and results**

The Company earned a profit of RMB 0.2 cents per share. The Company did not propose any dividend distribution or buy back during the period.

99 Wuxian has been always positioning itself as a leading business to business to consumer ("B2B2C") Chinese mobile commerce company to take full advantage of the strong industry trends in Chinese mobile commerce market. During the first half of FY2016, 99 Wuxian continued to focus on implementing its strategy of increasing its registered users, enhancing user engagement, expanding its platform across business partners, merchants and into new channels to market, bridging online and offline, and knowing the customer through proprietary direct marketing and big data.

99 Wuxian generated net revenue of RMB 123.4 million in the first half of FY2016 up from net revenue of RMB 81.0 million in the first half of FY2015, representing a 52% increase. Underlying EBITDA grew from RMB 5.4 million in the first half of FY2015 to RMB 11.5 million in the first half of FY2016, representing a 112% increase. Underlying PBT grew from RMB 3.2 million in the first half of FY2015 to RMB 5.3 million in the first half of FY2016, representing a 66% increase. Net profit after tax grew from RMB 1.7 million in the first half of FY2015 to RMB 2.2 million in the first half of FY2016, representing a 28% increase.

99 Wuxian's strong and inspiring revenue and profit growth was underpinned by Gross Transaction Value ("GTV") on the platform which increased to RMB 5.4 billion in the first half of FY2016. GTV increase was contributed by the growth in the number of transactions completed on the platform, which grew to 55.3 million in the first half of FY2016. The consistent growth reflected 99 Wuxian's constant efforts to increase the number of registered users which grew from 45.6 million as at 30 June 2015 to 60.3 million as at 30 June 2016, and the efforts to enhance user engagement by launching effective joint marketing campaigns with business partners offering exclusive opportunities for users to purchase goods and services. Furthermore, GTV growth was also a result of the continued adoption of the Company's loyalty point redemption platform and the continued expansion of the iBenefit platform which focuses on providing employee benefit solutions to business partners.

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<sup>1</sup> RMB translated into AUD at the spot rate of AUD/RMB of 4.6877 as at 15 December 2015.

The Company continues to attract high value business partners and expand its reach in China, and further enlarge the pool of underlying customer base. The Company is actively focussed on developing new business partners and new channels to market while also continuing discussions with its existing business partners to board them onto the loyalty point redemption platform and the employee benefit redemption platform. For each of these partners the Company has developed tailored connections, via mobile applications, between them and their customers and employees in a trusted and secure environment.

The Company continues to actively monitor and manage its product and merchant mix in response to evolving user demand. The Company has a strong pipeline of new products for release over the medium term and will continue to optimise its product mix.

99 Wuxian has been continuing to develop the iBenefit segment, which is believed to be able to generate considerable transactions as developing given the huge market potential based on the huge population employed in China. iBenefit has been constantly enriching the functions of the platform, signing contracts with business partners from various sectors including those Fortune 500 companies with large employee base, and reaching partnerships with high quality merchants offering a variety of products and services to meet individual needs from employees.

The Company is pleased with its progress to date. The company will continue to implement its business strategy of constantly establishing and anchoring partnerships with business partners, increasing registered users and user engagement, and penetrating the huge Chinese mobile commerce market, in order to fully unlock the revenue and profit potential of its platform.

#### **Audit Qualification or Review**

Please refer to Page 1.





**99 WUXIAN LIMITED**

(incorporated in Hong Kong with limited liability)

**Condensed Consolidated  
Financial Statements**

**For the six months ended 30 June 2016**

**99 WUXIAN LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

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## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF 99 WUXIAN LIMITED**

(incorporated in Hong Kong with limited liability)

### **Introduction**

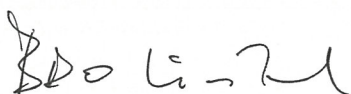
We have reviewed the interim financial information set out on pages 2 to 15, which comprises the condensed consolidated statement of financial position of 99 Wuxian Limited (the "Company") and its subsidiaries as of 30 June 2016 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and other explanatory notes. The preparation of a report on interim financial information is required to be in compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **Scope of review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.



BDO Limited  
Certified Public Accountants  
Hong Kong

Hong Kong, 31 August 2016

99 WUXIAN LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Notes	2016 RMB (unaudited)	2015 RMB (unaudited)
Revenue	5	123,406,663	81,047,217
Cost of sales		(69,677,114)	(29,354,508)
Gross profit		53,729,549	51,692,709
Other revenue	6	2,086,640	26,126
Other gains and losses, net	7	112,873	(452,873)
Selling and distribution expenses		(18,606,628)	(12,360,963)
Administration expenses		(28,789,837)	(36,160,969)
Finance costs	8	(3,126,273)	-
<b>Profit before income tax</b>	9	5,406,324	2,744,030
Income tax expense	11	(3,190,947)	(1,012,766)
<b>Profit for the period</b>		2,215,377	1,731,264
Other comprehensive income for the period		-	-
<b>Total comprehensive income for the period</b>		<u>2,215,377</u>	<u>1,731,264</u>
<b>Earnings per share (RMB)</b>	12		
Basic and diluted		<u>0.002</u>	<u>0.002</u>

99 WUXIAN LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016

	Notes	30 June 2016 RMB (unaudited)	31 December 2015 RMB (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	9,319,293	9,973,468
Intangible assets		52,262,523	53,156,773
Goodwill		3,440,400	3,440,400
Deposit paid	15	160,000,000	160,000,000
Deferred tax assets		14,460,104	17,825,095
Total non-current assets		239,482,320	244,395,736
<b>CURRENT ASSETS</b>			
Inventories		35,101,593	17,369,679
Trade and other receivables	15	253,819,894	194,299,772
Cash and cash equivalents		18,956,359	40,910,686
Total current assets		307,877,846	252,580,137
<b>NON-CURRENT LIABILITIES</b>			
Other loan	17	134,737,734	-
Deferred tax liabilities		8,254,803	8,408,143
Total non-current liabilities		142,992,537	8,408,143
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	59,302,719	52,811,804
Amount due to a shareholder		-	140,000,000
Tax payables		920,253	3,875,704
Total current liabilities		60,222,972	196,687,508
<b>NET CURRENT ASSETS</b>		247,654,874	55,892,629
<b>NET ASSETS</b>		344,144,657	291,880,222
<b>CAPITAL AND RESERVES</b>			
Share capital	18	313,675,893	272,015,374
Reserves		30,468,764	19,864,848
		344,144,657	291,880,222

On behalf of the Board



Mr. Ross Benson  
Director



Ms. Amalisia Zhang  
Director

99 WUXIAN LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Share capital RMB	Other reserve RMB	Retained earnings RMB	Total RMB
<b>Balance at 1 January 2015 (audited)</b>	272,015,374	-	9,664,661	281,680,035
Profit for the period	-	-	1,731,264	1,731,264
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,731,264	1,731,264
<b>Balance at 30 June 2015 (unaudited)</b>	<u>272,015,374</u>	<u>-</u>	<u>11,395,925</u>	<u>283,411,299</u>
<b>Balance at 1 January 2016 (audited)</b>	272,015,374	-	19,864,848	291,880,222
Profit for the period	-	-	2,215,377	2,215,377
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,215,377	2,215,377
Issuance of shares	41,660,519	-	-	41,660,519
Issuance of Convertible Note (note 17)	-	8,388,539	-	8,388,539
Transactions with owners	41,660,519	8,388,539	-	50,049,058
<b>Balance at 30 June 2016 (unaudited)</b>	<u>313,675,893</u>	<u>8,388,539</u>	<u>22,080,225</u>	<u>344,144,657</u>



99 WUXIAN LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

	2016 RMB (unaudited)	2015 RMB (unaudited)
Net cash used in operating activities	(62,147,483)	(29,814,829)
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,110,151)	(3,371,664)
Additions of intangible assets	(470,085)	(38,463)
Net cash used in investing activities	(1,580,236)	(3,410,127)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	41,746,374	-
Share issue expenses	(85,855)	-
Net cash generated from financing activities	41,660,519	-
Net decrease in cash and cash equivalents	(22,067,200)	(33,224,956)
Cash and cash equivalents at the beginning of period	40,910,686	67,779,281
Effect of exchange rate changes on cash and cash equivalents	112,873	(452,873)
Cash and cash equivalents at the end of period	18,956,359	34,101,452

## 99 WUXIAN LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

#### 1. GENERAL

99 Wuxian Limited (the “Company”) is a limited liability company incorporated in Hong Kong. Its CHESS Depositary Interests (“CDIs”) are listed on the Australian Securities Exchange (stock code: NNW). The principle place of business is located at 3F, Hong Kong Prosperity Tower, Meng Zi Rd, Huangpu District, Shanghai, 200023. The address of the registered office is located at 27/F., Alexandra House, 18 Chater Road, Central, Hong Kong.

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries (together with the Company referred as the “Group”) are investment holding and provision of financial and operational services on a mobile marketplace in the People’s Republic of China (the “PRC”).

The condensed consolidated financial statements for the six months ended 30 June 2016 (the “Interim Financial Statements”) were approved and authorised by the board of directors on 31 August 2016.

#### 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Interim Financial Statements do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards and Interpretations issued by the HKICPA, and should be read in conjunction with the Group’s consolidated financial statements for the year ended 31 December 2015.

The financial information relating to the year ended 31 December 2015 that is included in the Interim Financial Statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.



## 99 WUXIAN LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

#### 3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis.

Except as described below, the accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2016.

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The following new/revised HKFRSs, potentially relevant to the Interim Financial Statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 7	Statement of Cash Flows <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>
HKFRS 16	Lease <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

The directors of the Company anticipate that the application of these new or revised HKFRSs will have no material impact on the results and financial position of the Group.

99 WUXIAN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

4. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group's operating activities are attributable to a single operating segment focusing on provision of financial and operational services on a mobile marketplace in the PRC.

The Group's senior executive management monitors assets and liabilities on a consolidated basis and not by reportable segment. Accordingly, no additional information on assets and liabilities is presented.

5. REVENUE

Revenue includes the net invoiced value of goods sold and commission income earned by the Group. The amounts of each significant category of revenue recognised during the period are as follows:

	2016 RMB (unaudited)	2015 RMB (unaudited)
Commission and service income	66,907,672	85,294,911
Sales of merchandise	61,627,008	571,465
	128,534,680	85,866,376
Less: business tax and relevant surcharge	(5,128,017)	(4,819,159)
Total	123,406,663	81,047,217

6. OTHER REVENUE

	2016 RMB (unaudited)	2015 RMB (unaudited)
Bank interest income	15,461	26,126
Government grants*	2,071,179	-
	2,086,640	26,126

\* The Group received unconditional discretionary grants from the relevant PRC government authorities in support of enterprise operating in specified industry.

99 WUXIAN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

7. OTHER GAINS AND LOSSES, NET

	2016 RMB (unaudited)	2015 RMB (unaudited)
Exchange gains/(losses), net	112,873	(452,873)

8. FINANCE COSTS

	2016 RMB (unaudited)	2015 RMB (unaudited)
Interest on other loan	3,126,273	-

9. PROFIT BEFORE INCOME TAX

	2016 RMB (unaudited)	2015 RMB (unaudited)
Auditor's remuneration	188,034	160,000
Cost of revenue by nature:		
- Promotion and advertising expenses	8,381,166	7,580,841
- Marketing merchandise	58,679,839	13,643,533
- Bank handling charge	53,521	25,412
- Ongoing service fee	2,562,588	8,104,722
	69,677,114	29,354,508
Staff costs (including directors) comprise:		
- Contribution on defined contribution retirement plan	5,750,477	6,989,826
- Salaries and staff benefits	20,684,555	22,370,287
Operating lease charges in respect of leasehold buildings	2,055,276	2,515,091
Amortisation of intangible assets	1,364,335	958,022
Depreciation of property, plant and equipment	1,764,326	1,313,573

99 WUXIAN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

10. DIRECTORS' EMOLUMENTS

	2016 RMB (unaudited)	2015 RMB (unaudited)
Director fee	480,000	480,000
Salaries, bonuses, allowances and benefits	1,080,000	1,080,000
Contribution on defined contribution retirement plan	33,800	30,289
	<u>1,593,800</u>	<u>1,590,289</u>

11. INCOME TAX EXPENSE

- (a) Hong Kong profits tax is calculated at 16.5% on the estimated assessable profits arising in Hong Kong during the period. No provision for Hong Kong profits tax has been made as the Company had no assessable profits for the period.
- (b) By reference to the Corporate Income Tax Law of the PRC as approved by the National People's Congress on 16 March 2007, the enterprise income tax rate applicable to PRC group companies for the current period is 25%.

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

Earnings

	2016 RMB (unaudited)	2015 RMB (unaudited)
Earnings for the purposes of basic and diluted earnings per share	<u>2,215,377</u>	<u>1,731,264</u>

Number of shares

	2016 (unaudited)	2015 (unaudited)
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u>1,143,425,929</u>	<u>1,070,024,045</u>

99 WUXIAN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

12. EARNINGS PER SHARE - Continued

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 June 2016 in respect of a dilution as the impact of the conversion option outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

13. DIVIDEND

No dividend was paid or proposed during the six months ended 30 June 2016, nor has any dividend been proposed since the end of reporting period (2015: nil).

14. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred expenditure of RMB1,110,151 during the six months ended 30 June 2016 (2015: RMB3,371,664) on property, plant and equipment to acquire more electronic and office equipment, and motor vehicles.

15. TRADE AND OTHER RECEIVABLES

	Notes	30 June 2016 RMB (unaudited)	31 December 2015 RMB (audited)
<b>Non-current</b>			
Deposit paid	(a)	160,000,000	160,000,000
<b>Current</b>			
Trade receivables		38,304,394	20,582,790
Prepayments and deposits		29,306,808	39,119,686
Other receivables		4,235,445	5,526,776
Other receivable from Shanghai Handpay Information & Technology Co., Ltd ("Handpay")	(b)	181,973,247	129,070,520
		<u>253,819,894</u>	<u>194,299,772</u>



99 WUXIAN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

15. TRADE AND OTHER RECEIVABLES - Continued

Notes:

- (a) In 2015, the Group has entered into a binding conditional agreement (the “Ofpay Agreement”) to acquire 100% equity interests in Jiangsu Ofpay E-commerce Limited (“Ofpay”). An initial deposit of RMB160,000,000 was paid and three deferred payments (“Deferred Payments”) up to a total maximum of RMB297.4 million will be paid upon certain historical performance targets and consent from the Group being achieved. Up to the date of the report, no Deferred Payments have been paid by the Group.

As confirmed by the Group’s legal advisor, the acquisition was not completed as at 30 June 2016 and the Group did not have the practical ability to unilaterally direct the relevant activity of Ofpay as certain conditions under the Ofpay Agreement had not been fulfilled.

- (b) Other receivable due from Handpay is mainly derived from the operation of 99wuxian.com. According to a licensing arrangement entered between the Group and Handpay in 2013 and the relevant supplementary agreements entered in 2015, during the transition period, Handpay would continue to perform all third party contracts entered into with respect to the 99wuxian.com mobile marketplace until renewal of existing contracts. Handpay continues to collect revenue and pay expenses on behalf of the Group. The amount is unsecured, interest free and repayable on demand.

Impairment on trade and other receivables

At 30 June 2016, no impairment provision was made according to the Group’s assessment (31 December 2015: nil).

The management expects to collect the receivable due from Handpay and hence no provision for impairment has been made as at 30 June 2016 (31 December 2015: nil).

16. TRADE AND OTHER PAYABLES

	30 June 2016 RMB (unaudited)	31 December 2015 RMB (audited)
Trade payables	1,061,486	1,232,674
Accruals and other payables	7,995,748	15,249,438
Receipts in advance	50,245,485	36,329,692
	<u>59,302,719</u>	<u>52,811,804</u>

## 99 WUXIAN LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

#### 17. OTHER LOAN

On 17 March 2016, all conditions precedent under a convertible note agreement (“CN Agreement”) entered into between the Company and Grand Ease Holdings Limited (“Grand Ease”, a holder of the Company’s CDIs) have been agreed. Pursuant to the CN Agreement, the Company issued to Grand Ease a 3-year convertible note (“Convertible Note”) with a principal amount of RMB140,000,000 at a coupon rate of 7%. At the sole discretion of the Company, the Convertible Note can be early settled by a combination of paying cash or issuance of the Company’s CDIs at an initial conversion price of RMB0.6563 per CDI (subject to adjustment), subject to the completion of acquisition of Ofpay.

On initial recognition, the fair value of other loan is determined by the directors of the Company with reference to the valuation performed by a firm of independent professional valuers using discount cash flow method. The difference of RMB8,388,539 between the cash consideration received for Convertible Note and the fair value of other loan was accounted as capital contribution in equity.

On 5 May 2016, a supplementary agreement has been entered and Grand Ease agreed to exempt the Company from the obligation to pay interest for the Convertible Note for the period from 17 March 2016 to 31 December 2016. The effective interest rate on other loan adjusted from 9.5% to 7.2% accordingly.

#### 18. SHARE CAPITAL

	Number of ordinary shares	RMB
<b>Issued:</b>		
<b>Fully paid up</b>		
At 1 January 2015 (audited) and 31 December 2015 (audited)	1,070,024,045	272,015,374
Placing of new shares	89,658,718	41,660,519
At 30 June 2016 (unaudited)	<u>1,159,682,763</u>	<u>313,675,893</u>

On 3 February 2016, the Company issued 89,658,618 ordinary shares at a price of Australian Dollars (“A\$”) 0.1 per share.

On 4 April 2016, the Company issued 100 ordinary shares at a price of A\$0.1 per share.

99 WUXIAN LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

19. OPERATING LEASE COMMITMENT

At the end of the period, the total future minimum lease payments under non-cancellable operating leases are payable by the Group as follows:

*As a lessee*

	30 June 2016 RMB (unaudited)	31 December 2015 RMB (audited)
Within one year	4,160,720	4,139,120
In the second to fifth years, inclusive	13,808,752	15,806,267
	<u>17,969,472</u>	<u>19,945,387</u>

20. CAPITAL COMMITMENT

The Group does not have any commitment as at 30 June 2016 and 31 December 2015.

21. CONTINGENT LIABILITIES

Corporate financial guarantees are given by the Group in respect of certain bank borrowing amounting to RMB12,000,000 of Ofpay. The fair value of this financial guarantee contract of the Group is insignificant and the Company considers that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of this guarantee contract and at the end of the reporting period.



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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

### 22. RELATED PARTY TRANSACTIONS

#### Transaction with key management personnel

All members of key management personnel are the directors of the Company. The remuneration paid to them during the period was disclosed in note 10 to the financial statements.

#### Transaction with other parties

		2016 RMB (unaudited)	2015 RMB (unaudited)
Investorlink Corporate Limited	Professional		
("Investorlink Corporate")	services fees	1,310,557	1,400,498

Mr. Ross Benson, director and key management personnel of the Company, is associated with Investorlink Securities Limited ("Investorlink Securities"), Investorlink Corporate and Investorlink Group Limited ("Investorlink Group"). Mr. Tony Groth, director and key management personnel of the Company, was also associated with Investorlink Securities, Investorlink Corporate and Investorlink Group until his resignation in June 2015.

Investorlink Group and Investorlink Securities are the shareholders of the Company.