



DateTix Group Ltd. (ASX:DTX)

19 May 2016

DateTix launches in China

Key highlights:

- DateTix app has launched in China following approval from 10 of the top app stores in China across iOS and Android platforms, reaching approximately 85% of the over 600 million mobile Internet users in China
 - Approved app stores include Apple App Store, Tencent App Store, 360 Mobile Assistant, Baidu Mobile Assistant, Xiaomi MIUI App Store and Wandoujia
- China market launch creates significant potential revenue opportunities for the DateTix social platform across three major addressable markets with a combined market size of approximately A\$28 billion per year
 - A\$18 billion per year China mobile advertising market ¹
 - A\$9 billion per year China mobile gaming market ²
 - A\$2 billion per year China dating services market ³
- China has one of the world's largest and fastest growing markets for online dating and offline matchmaking services, driven by its recent decades of social change marked by rapid urbanization, the one-child policy and rapid uptake of social media, combined with the retention of traditional values and the importance of marriage
- China's online dating market has not yet been significantly penetrated by large international dating brands with Western-centric products. The DateTix social platform, with proven traction in Hong Kong and a localized version of the app designed for the China market, is well placed to capture market share in this large but highly fragmented market
- Near-term China expansion targeting all four tier-one cities with a combined population of approximately 70 million people
 - May 2016: Shenzhen – approximately 11 million population
 - August 2016: Shanghai – approximately 24 million population
 - 4Q 2016: Beijing – approximately 22 million population
 - 1Q 2017: Guangzhou – approximately 13 million population

DateTix Group Ltd. ("DateTix") (ASX:DTX) is pleased to announce that the DateTix app has received approval and is now available for download on 10 of the top app stores in China across the iOS and Android platforms. These app stores reach approximately 85% of China's over 600 million mobile Internet users, and include Apple App Store, Tencent App Store, 360 Mobile Assistant, Baidu Mobile Assistant, Xiaomi MIUI App Store and Wandoujia.

¹ Source: Analysys, June 2014

² Source: Analysys, June 2014

³ Source: iResearch, 2015



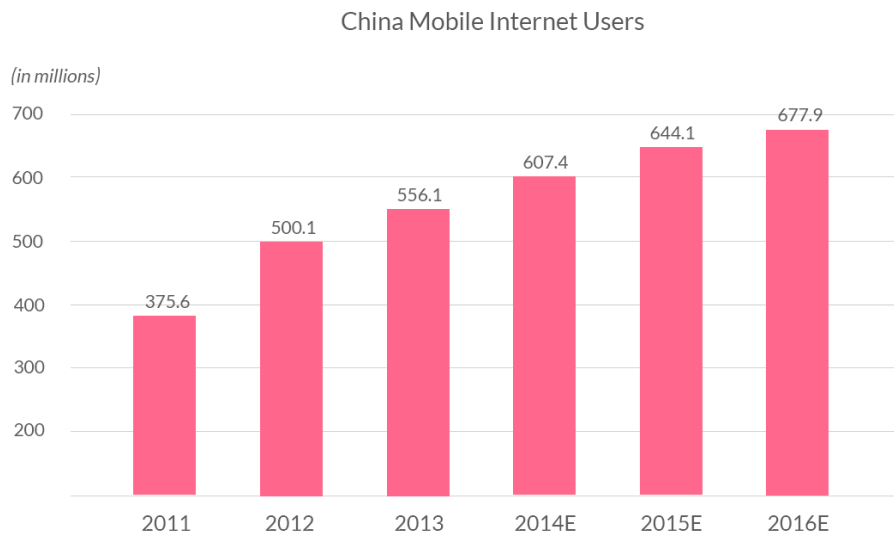
Commenting on the China launch, DateTix Founder and CEO, Michael Ye, said:

“The launch of the DateTix social platform into China marks the beginning of an exciting growth phase for the company. With an experienced on-the-ground marketing and engineering team in place in China, DateTix is well positioned to capture market share across multiple online and offline businesses in China.

“Geographically, we will launch our China business in Shenzhen given its close proximity to our headquarters in Hong Kong. We then plan to expand into the three other tier-one cities in China, namely Shanghai, Beijing and Guangzhou. Our scalable technology platform and infrastructure enables us to rapidly expand the DateTix social platform into multiple cities while keeping our R&D and G&A costs relatively fixed.”

China market opportunity

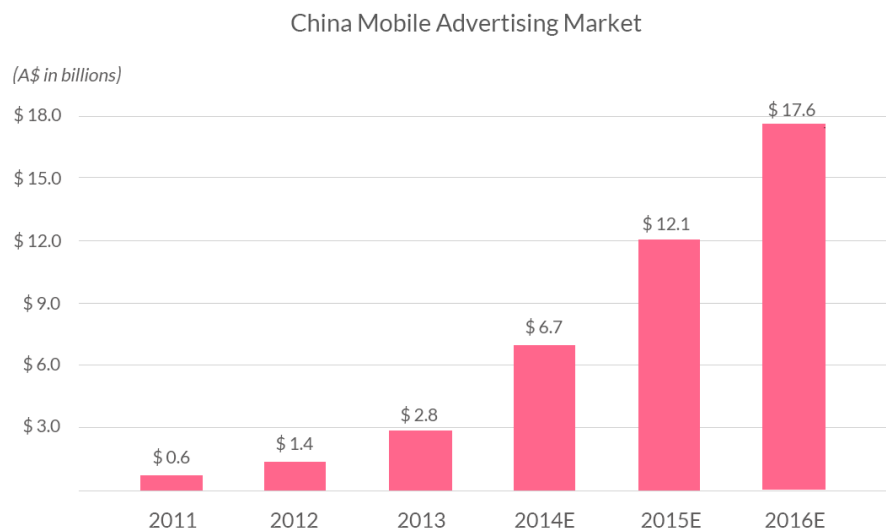
China mobile Internet usage has experienced rapid growth in recent years, fueled by the proliferation of smartphones, continuous improvements in Internet infrastructure, and advancement in wireless technology. According to eMarketer, the number of China mobile internet users are expected to reach 678 million in 2016, still representing only approximately 49% of the total Chinese population.



Source: eMarketer, June 2014

In China, mobile advertising and mobile in-app purchases & subscriptions are common monetisation methods for mobile social platforms. Entry into the China market creates significant potential revenue opportunities for DateTix across the three major addressable markets of mobile advertising, mobile gaming (includes in-app purchases of virtual items & subscriptions), and dating services, with a combined market size of approximately A\$28 billion per year:

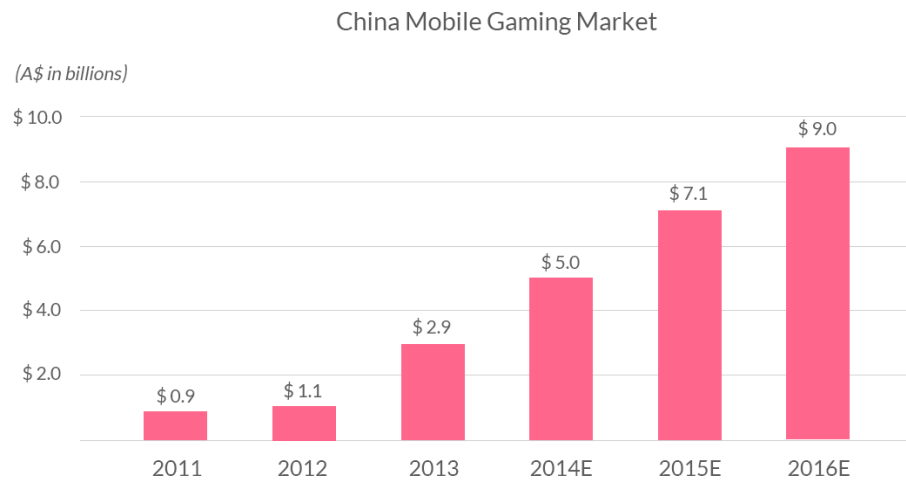
China mobile advertising market



Source: Analysys, June 2014

Advertisers increasingly value the unique advantages of mobile social platforms and online dating apps to reach their target audiences. The close personal interaction and frequent communication among DateTix members allow advertisers to target specific audiences and geographic regions, thus improving advertising effectiveness. As the DateTix member base grows within each city, its location-based mobile Internet advertising solutions will become increasingly valued by local advertisers. DateTix ads can be presented to its members in formats that are natural, integrated and relevant, in order to achieve a balance between a high quality user experience and high advertisement effectiveness. In addition, by featuring local merchants in the app, DateTix transform mobile advertising from passive dissemination to active promotion.

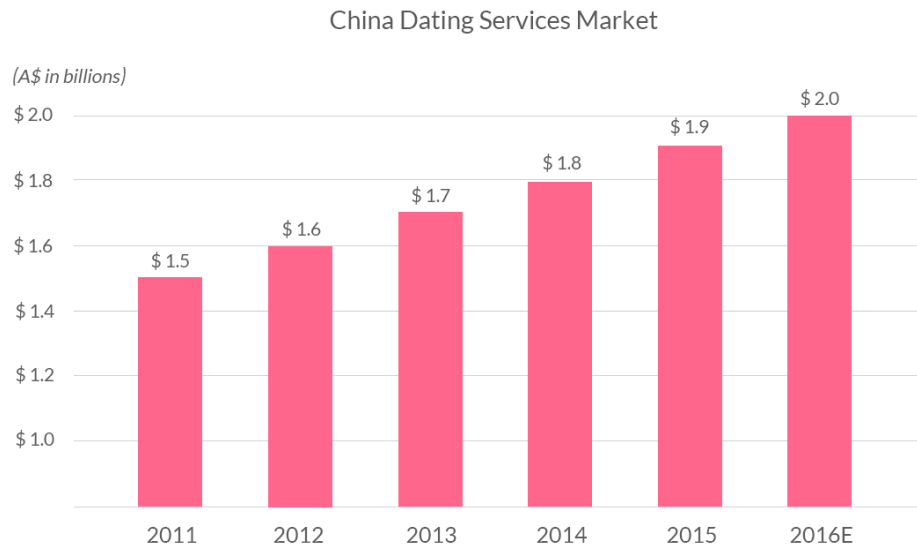
China mobile gaming market



Source: Analysys, June 2014

Mobile games in China often rely on mobile social platforms as marketing and distribution channels. Through close integration, mobile games are able to benefit from synergies with mobile social platforms by relying on them to direct large and stable user traffic and facilitate continued growth. In addition, mobile social platforms can enhance the level of player interaction and stickiness through social functions such as player rankings, competitions, and in-game virtual item exchanges. At the same time, mobile games can help mobile social platforms attract new users, enhance user engagement and retention, enrich platform content, and increase monetisation.

China dating services market



Source: iResearch, 2015

China's dating services market is large and highly fragmented, and includes both online dating services and offline matchmaking services. The strong growing demand for dating services in China has been primarily driven by:

- **Rapid urbanization rate.** China's fast paced economic growth has been driving young adults to attach greater importance to their careers, and marrying at a later age than previous generations. Since the 1980s, there has been a strong flow of young adults from rural areas into cities in search of better education and employment opportunities. The lack of familiar social networks and the fast paced urban lifestyle have created a strong need for online dating and matchmaking services.
- **Significant demographic changes.** China's baby boom of the late 1980s has created a growing population of adults between the ages of 25 and 35, resulting in one of the largest and fastest growing dating markets in the world. Additionally, China's "one-child policy" for the last three decades has led to a growing gender imbalance, with the continued social preference for male children causing the male and female population ratio to widen from approximately 1.0:1 in 1985 to 1.2:1 in 2000, making it increasingly challenging for men to meet women for dates or marriage. Furthermore, the divorce rate in China has been steadily rising, leading to an increase in the number of new single adults looking for companionship.
- **Unique cultural considerations and values.** In traditional Chinese culture, marriage is one of the most important milestones in life. Many families hope that marriage will lead to offspring and the continuation of the family line. Young adults in China are often pressured by their parents to get married after they graduate from university. This pressure has increased in recent years due to the effects of China's one child policy, where the increase in the number of single-child families has placed the burden of continuing the family line on a single child instead of several siblings.
- **Growing popularity of online dating services.** The stigma associated with online dating has declined significantly in recent years, with young adults in China now viewing the Internet as a preferred medium to expand their social networks and fulfill their entertainment needs. Single



adults now regularly post their profiles, photos and other personal information to the Internet to connect with others, leading to the growing popularity of online dating services in China.

DateTix business model in China

To maximize the scale, growth and retention of its member base and drive powerful localised network effects, DateTix will adopt the same “freemium” business model in China as it does outside of China, by offering core basic services for free and only charge for optional premium services that provide enhanced functionality and additional benefits.

Free-to-play business models can significantly increase the revenue potential of many apps by eliminating upfront pay barriers and download costs, and instead offering optional in-app purchases that further enhance the user experience throughout the lifetime of a user’s app experience.

DateTix has an asset-light and scalable business model with diverse potential online and offline revenue streams:

- *Virtual items.* Members purchase virtual items that can be used in the app to post featured date listings, buy virtual gifts, and other products and services
- *Premium subscriptions:* Members purchase recurring premium subscriptions to enjoy enhanced functionality and additional benefits
- *eCommerce.* Members purchase eCommerce coupons and vouchers that can be used at selected local merchant partners
- *Advertising.* Advertisers such as local merchants purchase contextually-relevant advertising space to get featured on the DateTix app
- *Matchmaking.* Members purchase personalized matchmaking packages that include professional consultation and guaranteed one-on-one dates
- *Events.* Members purchase tickets to fun social events held regularly at local venues

China expansion timeline

DateTix plans to build and cultivate a vibrant ecosystem of members and merchants in each city that it enters, starting with Shenzhen and then replicating the model to other cities in China.

Following the launch in Shenzhen this month, DateTix plans to then expand into the other three tier-one cities in China in 2016 and early 2017, followed by other major cities throughout China.



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About DateTix

DateTix is a mobile marketplace that facilitates on-demand dates by connecting like-minded people who are nearby each other and free at the same times. With the tap of just a few buttons, DateTix members can quickly and effortlessly meet new people for casual dating, serious relationship, business networking and more, at nearby establishments for meals, drinks and other activities. DateTix has developed a proprietary matchmaking engine that algorithmically scores, ranks and matches people based on multiple dimensions of compatibility, including physical attributes, personality traits and date preferences, delivering highly personalised and relevant matches to each and every DateTix member. With an initial focus on major Asian cities, DateTix plans to build, grow and cultivate leading local mobile marketplaces for in person and on-demand dates in major cities around the world.

<http://www.datetix.com>