

## **Connxion in JV to issue 10 million pre-paid payroll and employee cards across China**

**Sydney & Hong Kong June 9, 2010:** Data and transaction services company Connxion Ventures Limited (**ASX: CXN**) today announced that it has signed a 50/50 Joint Venture Agreement (JV) with Ease Card (China) to create a leading payroll, employee and rewards card issuing business to service the growing Chinese employment market.

Established in 2007, Ease Card is one of China's leading prepaid card, employee card and e-payment services company. Based in Hangzhou, the business has a presence in Hangzhou, Ningbo, and other cities in the Zhenjiang Province. Most notably, Ease Card is an issuer of prepaid cards for the 2010 World Expo in Shanghai.

The JV intends to issue up to 10 million pre-paid payroll, employee and rewards cards over the next 3 years, and will collect revenue every time card users transact with the pre-paid card. The JV is also assessing other pre-paid (stored value) card opportunities similar to Hong Kong's Octopus public transport pre-paid card.

Payroll, employee and prepaid cards are a significant business in China. Collectively, over RMB 100 billion (AUD\$17 billion) worth of prepaid cards are issued in China each year. It is a statutory requirement for Chinese employers (Government and private sector) to issue pre-paid cards to employees. Up to 14% of wages are pre-paid onto payroll cards on a tax free basis for consumer spending.

Ease Card will contribute to the JV an established network of 600 well recognised retail merchants in China, including Wal Mart, New World, Hangzhou Tower and Vanguard as well as an initial base of 500,000 cards already on issue. CXN will contribute up to RMB 10,000,000 (AUD\$1.8 million) over 2 years to the JV. CXN also operates an employee benefits card program in Hong Kong, known as Connxion@Work, and it will license this program to the JV for roll out in China.

Bill Brooks, Chief Executive Officer of CXN, said "this gives CXN an initial entry point into the large Chinese payroll and employee card market. We already operate a number of employee and loyalty card programs in the region, including the @Work employee benefits program in Hong Kong and our hotel loyalty cards across Asia, and this JV presents us with a solid expansion opportunity.

"CXN is assessing a number of opportunities in the Financial Services, Utilities and Telecommunications industry sectors. Given Ease Card already strong presence in Hangzhou, Ningbo, and other cities in the Zhejiang Province, and the credibility it gains from its role in the 2010 Shanghai World Expo, and the JV will be targeting government and private sector employer groups in these markets.

"The pre-paid cards market represents one element of CXN's growth strategy in China. This JV is in line with several opportunities currently under discussion in the eBilling and core data markets in China to significantly strengthen our data capabilities and regional footprint."

**Connxion Ventures Strategy *"Unleashing Customer Intelligence."***

CXN invests in and offers a complete data and transaction solution to clients that ranges from online document creation and delivery to payments, loyalty and rewards programs. CXN is positioned for continuous growth as companies are increasingly adopting these data and transaction related services to generate greater efficiencies and grow their business in this new and challenging environment.

**About Ease Card**

Further information on Ease Card is available at [www.easepay.net](http://www.easepay.net)

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