



APPENDIX 4C QUARTERLY CASH FLOW REPORT

26 July 2019 FinTech Chain Limited (ASX: FTC) today submits its Appendix 4C Quarterly Cash Flow Report for the first quarter period ended 30 June 2019.

HIGHLIGHTS

The Board of FTC is pleased to have delivered a net positive operating cash flow result of RMB1 million for the first quarter of FY2019/20. The commencement of a positive quarterly operating cashflow represents a culmination of the past 8 years R&D, successful user acceptance testing and ultimately commercialisation of our T-Link system.

Cash receipts of RMB7.9 million from customers for the quarter ended 30 June 2019 were recorded, of which RMB6.1 million was generated from T-Linx integrated payment business.

FTC's management estimate cash receipts from blockchain technology contracts will continue to accelerate on top of newly signed T-Linx contracts carrying 2 to 3 basic point service fee on gross transaction value.

About FTC:

FTC's patented T-Linx payment service intellectual property includes:

- ◆ integrated payment acquisition;

The process of the payment service commences with FTC's T-Linx system interfacing with banking institutions. It works further down to the point where the merchants/retailers point of sale devices (POS) are T-Linx enabled and concluded by the end consumers making payment under the POS. Digitised payments are aggregated through POS terminals and are characterised as everyday shopping experience outflows including but not limited to dining, entertainment, travelling, utility billing, medical and online shopping.

The provision of T-Linx digitised payment services to banks attracts revenue streaming system fees which are shared by merchants, banks and FTC. The quantum of transaction fees is pre-determined and agreed between with FTC's merchants and financial institutions according to the total transaction volume processed by FTC's T-Linx platform.

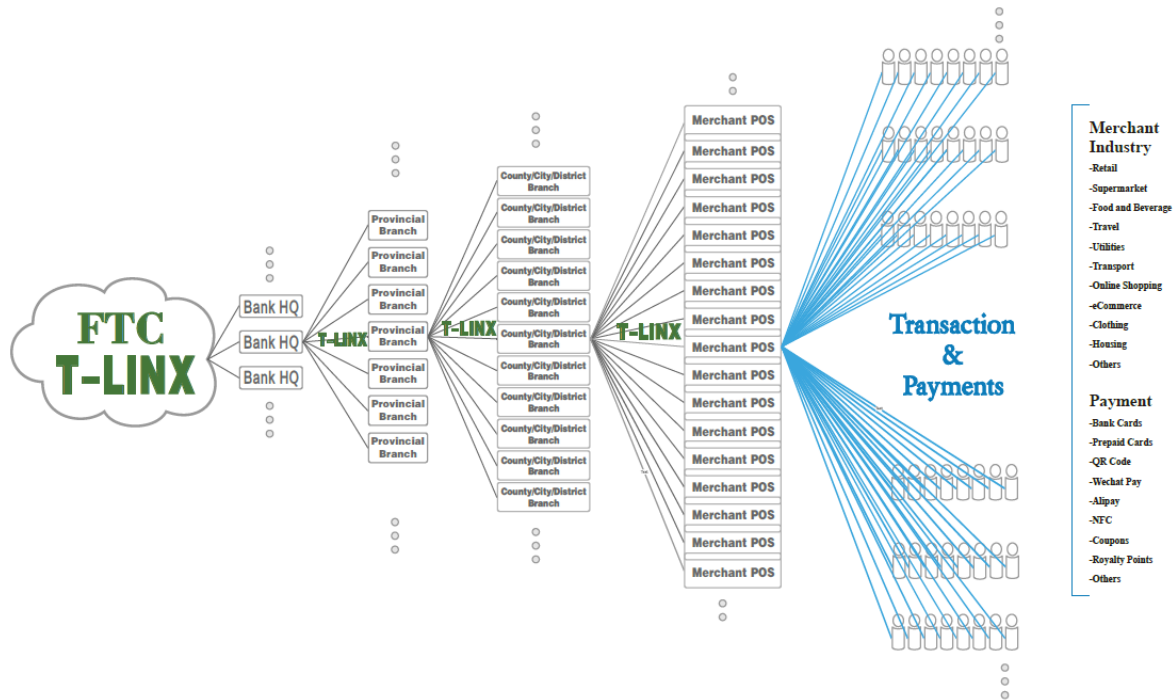
In addition to transaction fees, FTC's revenue generation model includes system service fees, technology research and development fees, non-standard project implementation, commission income and switching fees per transaction.

FinTech Chain Limited
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Currently, the number of daily transactions processed by FTC's systems exceeds 3 million.



- ◆ Fast Payment software for merchant MIS (management information system) connection;
- ◆ FEA (Financial Electronic Authentication) systems for contractual financial certificates and
- ◆ GICA transaction switching systems.

These product lines are recognised as sector leading technologies in the Chinese financial industry especially in the provision of end to end solutions from transaction acquisition to transaction switching for both Chinese and overseas banks, credit card organisations, acquiring companies and wallet account partners.

Currently over 300 banks are connected to FTC' systems including China Merchant Bank, Ping An Bank and Rural Credit Cooperative Unions.

In 2016 FTC commenced its blockchain technology research and development and is now ranked in China's top 10 operator and owner in terms of blockchain invention patent.

FTC continues to innovate through the application of blockchain technologies to payment transaction switching businesses in conjunction with providing overall blockchain technology solutions to its co-operation partners. Adhering to strict Know Your Customer (KYC) and Anti-Money Laundering (AML) policies, FTC accommodates the circulation and transaction processing of various blockchain credits and digital tokens, significantly improving the efficiency of transaction completion in a cost effective manner.

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For further information visit www.ttg.hk or contact Mr Chris Ryan or Mr Quincient Leung, FinTech Chain Limited at +61 2 9276 2000.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

FINTECH CHAIN LIMITED

ABN

158 702 400

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Quarter ended 30 June 2019 RMB	3 months ended 30 June 2019 RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	7,911,612	7,911,612
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,416,100)	(1,416,100)
(c) advertising and marketing	-	-
(d) leased assets	(845,314)	(845,314)
(e) staff costs	(3,508,457)	(3,508,457)
(f) administration and corporate costs	(1,530,253)	(1,530,253)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,216	1,216
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	391,661	391,661
1.9 Net cash from / (used in) operating activities	1,004,365	1,004,365

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Quarter ended 30 June 2019 RMB	3 months ended 30 June 2019 RMB
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities	-	-
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,289,129	2,289,129
4.2 Net cash from / (used in) operating activities (item 1.9 above)	1,004,365	1,004,365
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Quarter ended 30 June 2019 RMB	3 months ended 30 June 2019 RMB
4.5	Effect of movement in exchange rates on cash held	19,874	19,874
4.6	Cash and cash equivalents at end of quarter	3,313,368	3,313,368

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Quarter ended 30 June 2019 RMB	3 months ended 30 June 2019 RMB
5.1 Bank balances	3,313,368	3,313,368
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,313,368	3,313,368

6. Payments to directors of the entity and their associates

3 months ended 30 June 2019 RMB
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6.1 Aggregate amount of payments to these parties included in item 1.2

-

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Nil

7. Payments to related entities of the entity and their associates

3 months ended 30 June 2019 RMB
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7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Nil

9. Estimated cash outflows for next quarter	RMB
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	600,000
9.5 Staff costs	4,000,000
9.6 Administration and corporate costs	1,400,000
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	6,000,000

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date:26 July 2019.....
(Director/Company secretary)

Print name: CHOW KI SHUI LOUIE

Notes

1. FTC has achieved positive operating cash flows for this quarter ended 30 June 2019 of approximately RMB 1 million. FTC has cash receipts RMB 7.9 million from customer, of which RMB 6.1 million is generated from both T-Linx™ integrated payment business system and sales of digital POS machine and system integration & peripheral. FTC is on track to further expand T-Linx™ related products and services and blockchain technology, both of which are expected to grow and penetrate the market quickly and effectively.

The adoption of T-Linx™ by both China merchant Bank and Rural Credit Bank's customers after the recent successful rollout programme makes FTC's T-Linx™ coverage in more industries and provinces in China. This represents our increased in aggregate transaction volume through the Bank-Merchant network in the provincial, and city/country level.

2. The sharp increase of product manufacturing and operating costs is mainly due to the expansion of T-Linx™ integrated payment business. It leads to the increased demand on digital POS machine and the associated system integration & peripheral .FTC spent approximately RMB1.27 million on purchasing POS machine and system integration & peripheral in this quarter.
3. In summary receipts from customers represents the provision of T-Linx™ information technology services, sales of digital POS machine and system integration and peripheral, maintenance fees, and blockchain technology with consultancy, development and technical services.
4. The figures disclosed in the report are in Chinese Renminbi (RMB), the official currency of The People's Republic of China, which is the home currency of FTC.
5. FTC has adopted accounting policies that comply with International Financial Reporting Standards (IFRS) and the figures in the report are prepared in accordance with applicable IFRS.