



ARBN: 158 702 400

29 January 2021

QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

QUARTER ENDED 31 DECEMBER 2020

Fintech Chain Limited (ASX: FTC), or the “Company”, is the innovation IP owner and supplier of the Integrated Payment and Merchant Industry Application Solutions platform, T-Linx™ PaaS (Platform as a Service) Middleware, banks in China. FTC is pleased to publish its Quarterly Activities Report and Appendix 4C for the quarter ended 31 December 2020 (Q3).

Financial Update

Q3 Cashflow

FTC recorded an overall positive cash flow of RMB10,269,726 for the quarter. Receipts from customers during this period were RMB22,578,958. Including the collection of approximately 80% of account receivables from the first half of FY2021, which had been delayed due to the COVID-19 pandemic.

Convertible Bonds (CB's)

1,307,750 CBs with a principal value of US\$200,000 matured on 15 November 2020. FTC repaid these CBs in January 2021.

The maturity dates for 11,175,457 CBs were extended during the quarter as follows;

No. of CBs	CBs Amount	New Maturity Dates
2,462,947	US\$376,687	31/12/2022
3,268,925	US\$500,000	31/12/2021
2,500,000	A\$500,000	31/12/2022
2,943,585	RMB3,000,000	31/1/2022

Payments to related parties of the entity and their associates

President Mr. Xiong Qiang was paid RMB111,806 in this quarter as ordinary remuneration for his role as CEO of FTC's wholly owned subsidiary, Shenzhen Taotaogu information Technology Co., Ltd.

No payments to other directors or associates were made in accordance with Item 6 of the accompanying Appendix 4C.



Operations & Business Update

FTC's vision is the deployment of the T-Linx™ system to banks and “Payment +” business development. This is proceeding as planned. Following the trend of digital transformation taking place within banks and merchants, FTC has committed to expanding T-Linx™ connectivity with a diverse range of software and hardware applications, increasing T-Linx™ application implementation in Bank-Merchant network, helping our bank customers to increase their and Bank-Customer network, and also promoting T-Linx™ marketing management system as a whole.

During Q3, FTC successfully expanded T-Linx™ connectivity with a number of merchant solution software vendors (Refer: https://www.ttg.hk/en_us/news). Such business development will further expand the Bank-Merchant network base of T-Linx™, and hence increase the gross transaction volume.

Given the digital transformation within banks, FTC has also been actively promoting T-Linx™ Marketing Management system, in order to upgrade traditional New Year marketing campaigns for banks which are traditionally low-efficiency and labor-intensive. The launch of this product will effectively increase the year-round usage of T-Linx™.

Due to the impact of the Coronavirus (COVID-19) epidemic, the Chinese Government adopted social restrictions in December 2020 requiring residents in designated cities to stay home. As a result, some merchants and tourist operators were temporary closed to stem the spread of virus. Notwithstanding FTC's management remained objective and clear-headed about these real and emerging uncertainties and risks. FTC's management is confident that the pandemic will be well controlled in China and FTC's business environment will continue to develop positively.

Operation Background and Forward Thinking

FTC has promoted T-Linx™ PaaS middleware to the banking sector since 2016. In the early stages, FTC entered contracts with bank customers and charged an annual fixed service fee regardless of transaction volume. FTC essentially subsidised bank customers for using T-Linx™ as first-time users. Since there no bank customers ever used it before. As a result of T-Linx™, successful rollout to banks such as PingAn Bank and Rural Credit Bank, the coverage of T-Linx™ PaaS middleware in a greater number of industries and provinces in China has occurred. T-Linx™ has become well-known resulting has FTC entering into contracts with new bank customers with new terms (2 to 3 basis points) on gross transaction value which commenced in March 2019. The transaction volume of these new term bank customers is steadily increasing post COVID-19.

T-Linx™ business innovation and development has been steadily gained recognition and adoption throughout the banking sector in China. Revenue generated from T-Linx™ included (1) Annual fixed service fees, (2) Percentage fees (2 to 3 basis points) on GTV (Gross transaction value), (3) Merchant industry application integration service fees, (4) Sales of hardware, (5) Other software development service fees, and (6) Income from other value-added services. In the early phase of T-Linx™ business development, FTC had entered into T-Linx contracts with annual

fixed service fee with banks. Since March 2019, T-Linx business development has entered into a new phase, that T-Linx™ contracts newly stipulated with banks consists of new term, i.e. FTC receives 2 to 3 basis points based on GTV. According to FTC's record, the GTV processed by T-Linx™ has being increased year on year. Part of the GTV from new T-Linx™ new contracts (signed from March 2019 and afterward) has contributed to increased revenue to FTC. FTC is aiming to increase T-Linx™ service coverage in banking sector and secure more new T-Linx™ contracts.




T-Linx™ PaaS middleware is now processing up to 20 million daily transactions value through the Bank-Merchant network at the provincial, and city/country levels. We are aiming to keep the momentum of this roll-out in both territorial extension and transaction volume increasing in future quarters

The above announcement has been authorised by the Board of Director of FTC.

About FTC

FTC is **T-Linx™** PaaS (Platform as a Service) Middleware, the innovation IP owner and supplier of the Integrated Payment and Merchant Industry Application Solutions platform, provider to banks in China.

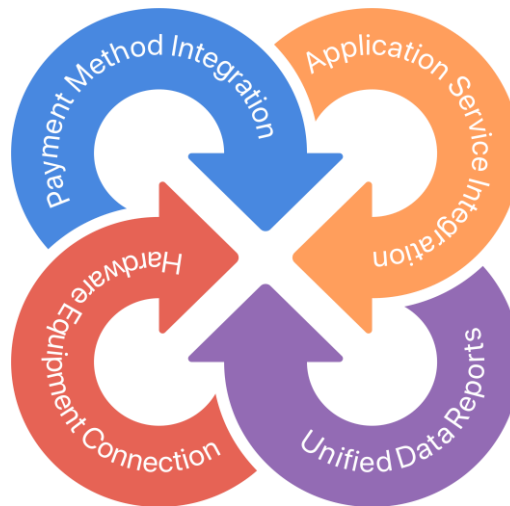
Focus on PaaS Payment Services Industry

 <p>Experienced Team in charge of patented IP</p>	 <p>Business Services Sectors</p>	 <p>Powerful Processing Capabilities</p>
<p>9 Years Payment Industry Experience</p> <p>◆</p> <p>170 Products serving merchants and banks</p> <p>◆</p> <p>200+ Payment Industry Experts</p> <p>◆</p> <p>ranked 51st in "2020 China Top 100 Fintech Patent Technology List"</p>	<p>Serving over 6 million bank-contracted merchants</p> <p>◆</p> <p>T-Linx™ coverage up to 1,000 banks</p> <p>◆</p> <p>Over 40 Merchant Industry Application Solutions</p>	<p>Up to 20 million Daily Transactions</p> <p>◆</p> <p>Up to CNY 1 trillion in Annual Gross Transaction Value</p>

FTC's **T-Linx™** PaaS middleware empowers banks including:

1. Establishing bank's independent + integrated payment and settlement capabilities while improving bank's comprehensive service levels for merchants;
2. Securing sustained and stable low-cost deposit features;
3. Strengthening the PaaS ecological collection of merchants and partners to create extended revenue value;
4. Creating multilateral winning environment for all parties (merchants, partners and banks) by means of PaaS.

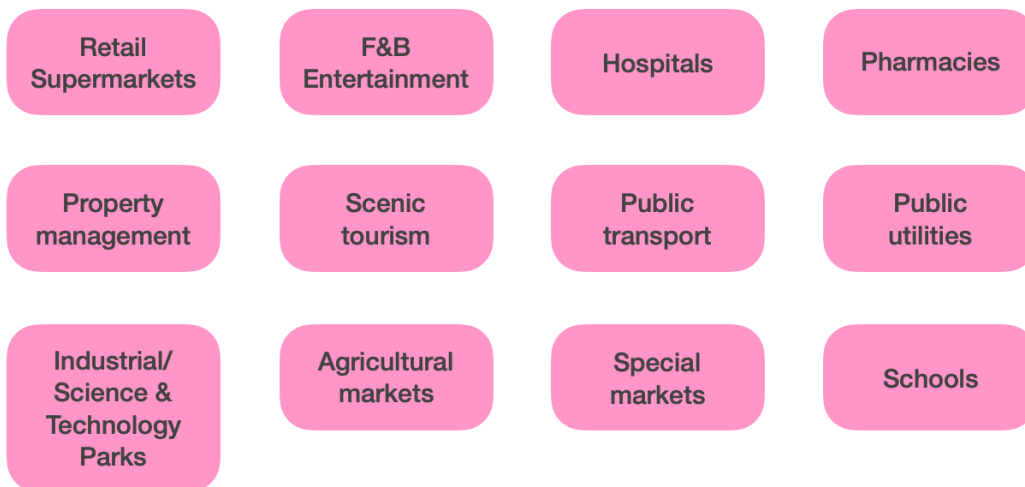
T-Linx™ Merchant Industry Application - The redefinition of “integration”



T-Linx™ has not only integrated all available payment methods, but also integrated and deployed a platform with complete software application services and hardware products for a wide-spectrum of merchants across a broad range of industries.

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**40+
Merchant Industry Applications
including**



ends-

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

Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FINTECH CHAIN LIMITED

ABN

158 702 400

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows	Current quarter RMB	Year to date (9 months) RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	22,578,958	44,358,265
1.2 Payments for		
(a) research and development	-	(5,000)
(b) product manufacturing and operating costs	(7,786,985)	(17,851,909)
(c) advertising and marketing	-	-
(d) leased assets	(431,621)	(965,794)
(e) staff costs	(4,195,129)	(11,200,856)
(f) administration and corporate costs	(1,035,213)	(3,602,031)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,008	2,367
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(37,561)
1.7 Government grants and tax incentives	11,760	29,721
1.8 Other (provide details if material)	(635,284)	(4,195,334)
1.9 Net cash from / (used in) operating activities	8,507,494	6,531,868
2. Cash flows from investing activities	-	-
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(29,000)	(48,443)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter RMB	Year to date (9 months) RMB
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(29,000)	(48,443)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 period	1,793,057	3,796,649
4.2	Net cash from / (used in) operating activities (item 1.9 above)	8,507,494	6,531,868

Consolidated statement of cash flows		Current quarter RMB	Year to date (9 months) RMB
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29,000)	(48,443)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(1,825)	(10,348)
4.6	Cash and cash equivalents at end of period	10,269,726	10,269,726

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	Current quarter RMB	Previous quarter RMB
5.1	Bank balances	10,269,726	1,793,057
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)	10,269,726	1,793,057

6.	Payments to related parties of the entity and their associates	Current quarter RMB
6.1	Aggregate amount of payments to related parties and their associates included in item 1	111,806
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		


7. Financing facilities	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	RMB
8.1 Net cash from / (used in) operating activities (item 1.9)	8,507,494
8.2 Cash and cash equivalents at quarter end (item 4.6)	10,269,726
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	10,269,726
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. FTC collected the account receivables from the first half of FY2021, which had been delayed due to the COVID-19 pandemic. Also, FTC repaid a principal value of US\$200,000 Convertible bonds in January 2021.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: FTC continues to have the financial support of its major shareholders, Mr. Xiong Qiang and Mr. Chow Ki Shui Louie, who will provide additional funding if required.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. Based on our positive cash flow operation and the additional funding from major shareholders if required as 8.6.2 mentioned.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date: ..29 January 2021.....



Authorised by: CHOW KI SHUI LOUIE
(Executive Director)

Notes

1. This quarterly cash flow report and the accompanying activities report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. The figures disclosed in this report are in Chinese Renminbi (RMB), the official currency of The People's Republic of China, which is the home currency of FTC.
3. 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.