



FINTECH CHAIN LIMITED

ARBN 158 702 400

INTERIM REPORT Six months ended 30 September 2021

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 31 March 2021 and any public announcements issued by FINTECH CHAIN LIMITED in accordance with the continuing disclosure requirements of the Australian Securities Exchange Listing Rules.

The interim financial information is presented in Renminbi, the official currency of the People's Republic of China, unless otherwise stated.

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

HALF-YEAR ENDED 30 September 2021
(Previous corresponding period half-year ended 30 September 2020)

			RMB'000
Revenue from ordinary activities	up	14.1% to	28,492
Profit after tax for the period	up	44.6% to	4,420
Profit for the period attributable to owners of the Company	up	43.7% to	4,634

Dividends

No dividends were paid or declared during the six months ended 30 September 2021 (2020: Nil)

Explanation of Revenue

Revenue increased from RMB25.0 million for the six months ended 30 September 2020 to RMB28.5 million for the six months ended 30 September 2021.

Compared to the previous corresponding period, revenue from SaaS cloud services increased from RMB12.0 million to RMB14.3 million, revenue from SaaS for rights/ interests/ points/ marketing/ promotion increased to RMB2.2 million. The increase in SaaS revenue resulted from new contracts signed with bank clients and an additional marketing and promotion services.

Comments on above figures

Profit after tax for the six months ended 30 September 2021 was RMB4.4 million an increase of RMB1.4 million or 44.6% over the corresponding prior period.

Net profit derived during the period included:

1. increase in gross profit of RMB3.1 million;
2. decrease in selling expenses of RMB0.5 million;
3. increase in research and development expenses of RMB1.6 million;
4. increase in general and administrative expenses of RMB2.5 million;
5. increase in unrealised gains on change of fair value of embedded derivatives of convertible bonds of RMB0.3 million;
6. decrease in finance costs of RMB0.8 million.

Research and development expenses and general and administrative expenses were increased during the period due to FTC upgrades to the T-Linx™ SaaS platform and increased staff costs.

The change in the fair value of embedded derivatives and the decrease in finance costs resulted from non-cash items exchange movements in the principal value of outstanding convertible bonds.

Net profit for the period attributable to owners of the Company was RMB4.6 million, an increase of RMB1.4 million over the corresponding prior period.

Refer to the accompanying Directors Report for a detailed description of the Company's expansion and business development plans.

RESULTS FOR ANNOUNCEMENT TO THE MARKET (Cont'd)

NTA Backing	As at	
	30 September 2021	30 September 2020
Net tangible assets backing per ordinary share	0.2 cents	(1.8) cents

Controlled entities acquired or disposed of

The Company did not acquire or dispose of any controlled entities during the period.

Additional dividend information

The Company did not declared dividends during either the current nor previous six-month period.

Dividend reinvestment plans

The Company does not currently have any dividend reinvestment plans in place.

Associates and joint venture entities

The Company did not acquire nor dispose any associates or joint venture entities during the period.

Foreign entities

The Company's financial reports have been prepared under both Hong Kong Financial Reporting Standards and International Financial Reporting Standards. Further detail is included in Note 3 in the attached half year report.

DIRECTORS REPORT

Your directors present their report on the consolidated entity consisting of FinTech Chain Limited (“FTC”) and its controlled entities for the six months ended 30 September 2021 (hereinafter the “Group”).

Directors

The following persons were directors of FTC during the period and up to the date of this report:

Executive Directors

XIONG Qiang (President & Chief Executive Officer)

CHOW Ki Shui Louie (Vice President, Deputy Chief Executive Officer & Chief Financial Officer)

Non-executive Directors

RYAN Christopher John (Independent Chairman)

HONG Yupeng

Principal activities

FTC’s own IP T-Linx™ is a SaaS platform (Software as a Service).

In serving various payment scenarios under the umbrella of digital transformation, T-Linx™ SaaS serves banks, merchants, and consumers by connecting various information systems, software and hardware, in the form of cloud services in a compliant, secure and user-friendly manner.

Four major interconnected services of T-Linx™ SaaS platform

1. SaaS cloud service

(i) Payment SaaS infrastructure (IaaS, Infrastructure as a Service)

- Services for Banks: Integrated payments with multiple payment channels; integrated merchant submissions; reconciliation processing; risk control; branch management; and unified settlement reports.
- Services for Merchants: Integrated payments; integrated payment QR codes; payment collection plugin; and payment collection APPs.

(ii) Payment Digital Transformation SaaS service (merchant solutions/industry applications)

- Provides leading operations systems/software to various merchants/ industries.
- Smart merchant solutions/industry applications for over 40 different industries: Food and Beverage; Retail; Carparks; Hospitals; Scenic Spots; Property Management; Bill Payments; and CRM (Customer Relationship Management).

DIRECTORS REPORT (Cont'd)

Principal activities (Cont'd)

Four major interconnected services of T-Linx™ SaaS platform (Cont'd)

2. SaaS for rights/interests/points/marketing/promotion

- A one-stop SaaS for marketing management to increase potential cross-selling opportunities for both banks, merchants and other partners.

3. SaaS for hardware IoT

- Based on T-Linx™ SaaS infrastructure, merchant solutions/industry applications SaaS service drives the connection and upgrade of hardware.

4. SaaS financial service

- Increase upsell and cross-sell opportunities for various partners.
- Buy-Now-Pay-Later (BNPL) service.

Management Discussion and Analysis

FTC's T-Linx™ SaaS platform continues to receive positive feedback from the market after years of research and development, marketing and promotion to different commercial banks, financial institutions and commercial companies.

In the second half of the 2021 financial year, FTC will continue to increase R&D following the trend of digital transformation, and promote its value-added products and services with contracted banks, financial institutions and commercial companies.

In addition, FTC will continue to negotiate and conclude contracts, solely or jointly with Tencent Cloud, with other commercial banks, financial institutions and commercial companies so that FTC's services can be adopted by more merchants in China.

When T-Linx™ SaaS platform together with its value-added services are adopted increasingly to fit customers' business models, as a result, FTC expects that margins, revenue and profit will continue improve.

DIRECTORS REPORT (Cont'd)

Revenue

Revenue increased by RMB3.5 million or 14.1%, from RMB25.0 million for the six months ended 30 September 2020 to RMB 28.5 million for the six months ended 30 September 2021. The increase was due in the main to FTC generating revenue from SaaS for rights/interests/points/marketing/promotion in the sum of RMB2.2 million while revenue from SaaS cloud service increased by RMB2.4 million.

FTC expects revenue to grow further steadily in the second half of the financial year.

Gross profit

Gross profit amounted to RMB14.1 million, an increase of RMB3.1 million, or 27.9% compared to the previous corresponding period. The gross profit ratio is increased from 44.1% to 49.4%, the increase in gross profit is due to increase in the revenue is higher than increase in costs.

FTC expects gross profit will increase in line with revenue in the second half of the financial year.

Selling expenses

Selling expenses decreased by RMB0.5 million, or 52.2%, from RMB1.0 million to RMB0.5 million due to FTC management implementing tighter controls on expenditure.

Research and development expenses

Research and development expenses increased from RMB0.9 million to RMB2.4 million is due to the upgrades to the T-Linx™ SaaS platform.

General and administrative expenses

General and administrative expenses increased by RMB2.5 million, or 51.3% from RMB4.8 million to RMB7.3 million. This was mainly due to the Company recruiting more staff during the period, adjustments to salaries reflecting good performance and staff welfare costs resume to normal level while FTC enjoyed government COVID-19 policy resulting in a decrease in staff welfare costs in last corresponding period.

Operating profit

Operating profit, which is equivalent to the sum of sales and other income, after deduction of Impairment losses under expected credit loss model (net of reversal), selling expenses, research and development expenses and general and administrative expenses, improved steadily from RMB4.2 million to RMB4.4 million.

DIRECTORS REPORT (Cont'd)

Other expenses / gain

1. Increase in unrealised gain on change of fair value of embedded derivatives of convertible bonds of RMB0.3 million; and
2. Decrease in finance costs of RMB0.8 million

The change in the fair value of embedded derivatives of convertible bonds and decrease in finance costs was due to non-cash items exchange movements in the principal value of convertible bonds.

Net profit attributable to owners of the Company

Net profit after tax attributable to owners of the Company is RMB4.6 million. This results from the net effect of:

1. gross profit of RMB14.1 million;
2. total expenses of RMB9.7 million; and
3. non-controlling interests of RMB0.2 million.

The increase in net profit attributable to owners of the Company of RMB1.4 million, or 43.7%, (from RMB3.2 million to RMB 4.6 million) over the last corresponding period, was primarily driven by

4. increase in gross profit of RMB 3.1 million;
5. increase in selling expenses, research and development expenses and general and administrative expenses of RMB3.5 million;
6. increase in unrealised gain on change of fair value of embedded derivatives of convertible bonds of RMB0.3 million; and
7. decrease in finance costs of RMB0.8 million.

Profit per share

The Company incurred a profit of RMB0.712 cents per basic share and RMB0.619 cents per diluted share, compared to RMB0.496 cents per basic and diluted share in the previous period.

Dividends

No dividends have been paid nor are any dividends proposed to be paid during the financial period.

DIRECTORS REPORT (Cont'd)

Net current assets and net tangible assets

The Group had net current assets of RMB14.6 million as at 30 September 2021 compared to RMB10.3 million at 31 March 2021. The main reason for the increase is due to the addition of trade and other receivables and decrease in current portion of trade and other payable and convertible bonds.

Net tangible assets amounted to RMB1.3 million compared to net tangible liabilities RMB11.6 million as at 30 September 2020, represented mainly by trade and other receivables and convertible bonds.

Net tangible assets per share amounted to RMB0.2 cents as 30 September 2021, compared to net tangible liabilities of RMB1.8 cents per share at 30 September 2020.

Share Capital

Movements in share capital of the Company during the period are set out in note 19 to the condensed consolidated financial statements.

Share options

The Company did not issue any share options during the financial period. Please refer to note 20 to the condensed consolidated financial statements.

Transfer to Reserves

Refer to the condensed consolidated statement of changes in equity for the Group's transfer to reserves.

Plant and Equipment

Details of the movements in plant and equipment during the period are set out in note 13 to the condensed consolidated financial statements.

Convertible bonds

The Company did not issue any convertible bonds during the financial period. Please refer to note 18 to the condensed consolidated financial statements for details of convertible bonds of the Company up to 30 September 2021.

Commitments

The Group had capital commitments for unpaid registered capital for the subsidiaries and investments of RMB24 million as at 30 September 2021. Details are set out in note 23 to the condensed consolidated financial statements.

DIRECTORS REPORT (Cont'd)

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Directors' interests in contracts

Except for the directors' interests as disclosed in the note 21 to the condensed consolidated financial statements, no contract of significance in relation to the Company's business to which the Company or any of its holding companies, subsidiaries, or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, existed at the end of the reporting period or at any time during the year.

Foreign exchange exposure

The Group is exposed to currency risk primarily through cash and bank balances that are denominated in a foreign currencies, i.e. a currency other than functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States Dollars ("USD") and Australia Dollars ("AUD").

The Group's revenue is mainly denominated and settled in RMB. The Group incurred most of its operational expenses and capital outlays in RMB. The directors considered its exposure to foreign currency exchange risk arising from its operating activities to be insignificant as the majority of the Group's operating activities are denominated in functional currency of the respective group entities.

Employee, remuneration policies and share option scheme

At 30 September 2021, the Group had 131 full-time employees (31 March 2021: 133). The salaries of the Group's employees were determined by reference to personal performance, professional qualifications, industry experience and relevant market trends. The Company ensures all levels of employees are paid competitively within market parameters and employees are rewarded on a performance-related basis within the framework of the Group's salary, incentives and bonus schemes. The management reviews the remuneration policy of the Group on a regular basis and evaluates the work performance of the employees. The remuneration of employees includes salaries, allowances, year-end bonuses and social insurance.

FTC also issued options to certain employees. For details please refer to share option scheme in note 20 to the condensed consolidated financial statement.

DIRECTORS REPORT (Cont'd)

Business outlook:

New and proposed PBOC and CBIRC Regulations

The People's Bank of China (PBOC) recently introduced new measures banning the use of personal payment QR codes (including WeChat Pay and Alipay) on its banking network for business collections. This measure is effective from 1 March 2022. In addition, the China Banking and Insurance Regulatory Commission (CBIRC) is seeking public submissions regarding the prohibition of outsourcing service providers/ cooperating agencies of banks from directly charging customers/ merchants for any service fees or collecting the service fees in name of the collaborating bank.

FTC has completed its assessment of the impact on its operation of these changes and considers they will provide a favorable business environment for FTC to further grow its business.

FTC has been providing its payment services in compliance with all existing regulations and empowering its banking partners, as legitimate acquirers, to develop and promote the use merchant QR codes as a compliant payment method in conducting compliant business activities.

The above changes yet to be implemented by PBOC and CBIRC, are intended to ensure only qualified service providers can operate within the highly regulated banking system, further assisting with identifying illegal money laundering or terrorist activities. Both the PBOC and CBIRC proposed measures provide FTC, being a long term qualified independent operator in the payment business sector, a better opportunity to grow its payment acquiring market share. In addition, the implementation of CBIRC's new rules are fully in line with the business model of FTC as a banking system service provider.

Market acceptance of FTC's products and services demonstrates that our business model as healthy and sustainable. The full implementation of the above-mentioned requirements in the near future will certainly ensure a broader market for FTC.

As more comprehensive market management policies/regulations on digital payment sector becomes effective, it allows FTC an enhanced business environment and development opportunities in promoting digital transformation in the current banking network.

Tencent Cloud

As recently announced, Taotaogu (referred to Shenzhen Taotaogu Information Technology Co., Ltd.), a wholly owned subsidiary of FTC, has executed a Joint Solution Cooperation Framework Agreement with Tencent Cloud.

The effect of the contract, is to combine the systems and products of Taotaogu (primarily T-Linx™ SaaS) with Tencent Cloud. Both parties will supply Joint Solutions to Tencent Cloud's banking and corporate customers. At the same time, both parties will also jointly develop new products and services, aiming to equip customers with intelligent digital products.

At present, there are several projects that have been activated, under the scope of this Joint Solution Cooperation. We believe our cooperation with Tencent Cloud will lead to increased FTC revenue and broaden the business prospects of both parties, as well as providing social and economic benefits to the broader public.

The initial term of the contract is 3 years. The contract is based on a revenue-sharing model between the parties, the business income of such brand-new cooperation model is forecast bring substantial growth to FTC in the future.

DIRECTORS REPORT (Cont'd)

Business outlook (Cont'd)

FTC considers this traction a solid base to continue growth in revenue for the remainder of the financial year 2022 and the future.

This report is made in accordance with a resolution of directors.



Mr. XIONG Qiang
President
FINTECH CHAIN LIMITED



Mr. Chris RYAN
Independent Chairman
FINTECH CHAIN LIMITED

Shenzhen, 30 November 2021

STATEMENT BY DIRECTORS

In accordance with a resolution of the Directors of FINTECH CHAIN LIMITED (the “Company”), we state that:

(1) In the opinion of the Directors:

- a. The condensed consolidated statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiary (the “Group”) as at 30 September 2021 and
- b. At the date of this statement there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

(2) In the opinion of the Directors, the interim financial information give a true and fair view of:

- a. The loss and cash flows of the Group for the six months ended 30 September 2021; and
- b. The state of affairs of the Group at 30 September 2021.

On behalf of the Board



Mr. XIONG Qiang
President
FINTECH CHAIN LIMITED



Mr. Chris RYAN
Independent Chairman
FINTECH CHAIN LIMITED

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF
FINTECH CHAIN LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Fintech Chain Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 12 to 40, which comprise the condensed consolidated statement of financial position as of 30 September 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. As the annual financial statements of the Group are prepared in accordance with both International Financial Reporting Standards and Hong Kong Financial Reporting Standards, the directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with both International Accounting Standard ("IAS") 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion 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 these condensed consolidated financial statements consists of making inquiries, 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and HKAS 34.



Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chung Chi Chiu
Practising Certificate Number: P06610

8/F., Catic Plaza
8 Causeway Road
Causeway Bay, Hong Kong

30 November 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 RMB (Unaudited)	2020 RMB (Unaudited)
Revenue	4	28,491,923	24,965,674
Cost of sales and services rendered		(14,412,167)	(13,954,903)
Gross profit		14,079,756	11,010,771
Other income and gains, net	6	512,215	25,657
Impairment losses under expected credit loss model, net of reversal	7	17,110	(231,403)
Selling expenses		(474,435)	(992,254)
Research and development expenses		(2,434,227)	(866,840)
General and administrative expenses		(7,255,198)	(4,795,378)
Unrealised gain on change of fair value of embedded derivatives of convertible bonds	18	605,931	328,615
Finance costs	8	(631,122)	(1,421,822)
Profit before tax		4,420,030	3,057,346
Income tax expense	9	-	-
Profit and total comprehensive income for the period	10	4,420,030	3,057,346
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
- Owners of the Company		4,634,228	3,225,258
- Non-controlling interests		(214,198)	(167,912)
		4,420,030	3,057,346
Earnings per share (RMB Cents)			
- Basic	11	0.712	0.496
- Diluted	11	0.620	0.496

The notes on pages 17 to 40 form an integral part of this unaudited condensed consolidated financial statements.

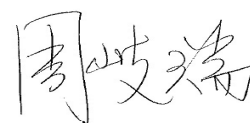
Condensed Consolidated Statement of Financial Position At 30 September 2021

	Notes	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)
NON-CURRENT ASSETS			
Plant and equipment	13	646,748	586,565
Intangible assets	13	35,138	65,516
Interests in associates	15	-	-
Right-of-use asset	14	1,824,965	2,401,270
		2,506,851	3,053,351
CURRENT ASSETS			
Inventories		935,983	774,178
Trade and other receivables	16	31,005,406	28,556,305
Bank balances and cash		4,973,399	6,309,696
		36,914,788	35,640,179
CURRENT LIABILITIES			
Trade and other payables	17	12,976,364	14,404,311
Contract liabilities		1,902,813	1,292,492
Other borrowing		2,315,142	2,274,417
Lease liabilities - current portion		1,264,660	1,184,018
Convertible bonds	18	3,849,995	6,208,719
		22,308,974	25,363,957
NET CURRENT ASSETS		14,605,814	10,276,222
TOTAL ASSETS LESS CURRENT LIABILITIES		17,112,665	13,329,573
NON-CURRENT LIABILITIES			
Convertible bonds	18	15,039,227	15,510,478
Lease liabilities - non-current portion		718,525	1,383,512
		15,757,752	16,893,990
NET ASSETS (LIABILITIES)		1,354,913	(3,564,417)
CAPITAL AND RESERVES			
Share capital	19	87,189,117	87,189,117
Reserves		(84,035,213)	(89,168,741)
Equity attributable to owners of the Company		3,153,904	(1,979,624)
Non-controlling interests		(1,798,991)	(1,584,793)
TOTAL EQUITY (DEFICIT)		1,354,913	(3,564,417)

Approved and authorised for issue by the board of directors on 30 November 2021:



Xiong Qiang



CHOW Ki Shui Louie

The notes on pages 17 to 40 form an integral part of this unaudited condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity For the six months ended 30 September 2021

	Attributable to owners of the Company			Sub-total RMB	Non- controlling interests RMB	Total deficit RMB
	Share capital RMB	Share option reserve RMB	Accumulated losses RMB			
At 1 April 2020 (Audited)	87,189,117	2,440,077	(103,132,626)	(13,503,432)	(1,168,226)	(14,671,658)
Profit (loss) and total comprehensive income (expense) for the period	-	-	3,225,258	3,225,258	(167,912)	3,057,346
Recognition of equity-settled share- based payments	-	81,254	-	81,254	-	81,254
Lapse of share options	-	(867,558)	867,558	-	-	-
At 30 September 2020 (Unaudited)	87,189,117	1,653,773	(99,039,810)	(10,196,920)	(1,336,138)	(11,533,058)
At 1 April 2021 (Audited)	87,189,117	2,728,004	(91,896,745)	(1,979,624)	(1,584,793)	(3,564,417)
Profit (loss) and total comprehensive income (expense) for the period	-	-	4,634,228	4,634,228	(214,198)	4,420,030
Recognition of equity-settled share- based payments	-	499,300	-	499,300	-	499,300
At 30 September 2021 (Unaudited)	87,189,117	3,227,304	(87,262,517)	3,153,904	(1,798,991)	1,354,913

The notes on pages 17 to 40 form an integral part of this unaudited condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
NET CASH FROM OPERATING ACTIVITIES	1,751,871	1,034,335
INVESTING ACTIVITIES		
Interest received	13,786	1,360
Proceed from disposal of plant and equipment	-	1,592
Payments for purchase of plant and equipment	(119,992)	(66,880)
Decrease (increase) in amount due from associates	38,004	(2,462,320)
NET CASH USED IN INVESTING ACTIVITIES	(68,202)	(2,526,248)
FINANCING ACTIVITIES		
Repayment of lease liability	(644,686)	(506,044)
Repayment of convertible bonds	(2,375,280)	-
NET CASH USED IN FINANCING ACTIVITIES	(3,019,966)	(506,044)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,336,297)	(1,997,957)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	6,309,696	3,791,018
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash	4,973,399	1,793,061

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

1. GENERAL INFORMATION

Fintech Chain Limited (the “Company”) is a limited liability company domiciled and incorporated in Hong Kong. The address of its registered office and principal place of business is Unit 1806, 18/F., Gala Place, 56 Dundas Street, Mongkok, Kowloon, Hong Kong.

The Company is an investment holding company and its shares are listed on Australian Securities Exchange. Its subsidiaries (together with the Company collectively referred to as the “Group”) are principally engaged in interconnected services of T-Linx™ Software as a Service (“SaaS”) platform including SaaS cloud service which includes provision of system development services and information technology services, SaaS for hardware internet of things (“IoT”) which includes sale of point-of-sale machine and other hardware and SaaS for rights/interests/points/ marketing/promotion in the People’s Republic of China (the “PRC”). At 30 September 2021, the directors of the Company (the “Directors”) consider that the immediate and ultimate controlling party of the Company to be Mr. Xiong Qiang.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements has been prepared in accordance with International Accounting Standards (“IAS”) 34 “*Interim Financial Reporting*”, issued by the International Accounting Standard Board (“IASB”). IAS 34 is consistent with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accordingly this condensed consolidated financial statements is also prepared in accordance with HKAS 34.

The financial information relating to the year ended 31 March 2021 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2021 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards (“IFRSs”) and Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial information for the six months ended 30 September 2021 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2021.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

3. PRINCIPAL ACCOUNTING POLICIES - Continued

Application of amendments to IFRSs and HKFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by IASB, for the first time, which are mandatory effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group's condensed consolidated financial statements. The equivalent amendments to HKFRSs, which collectively includes all applicable individual HKFRSs, HKASs and interpretations, consequently issued by the HKICPA as a result of these developments have the same effective date as those issued by the IASB and are in all material aspects identical to the pronouncements issued by the IASB.

Amendments to IFRS/HKFRS 16	Covid-19-Related Rent Concessions
Amendments to IFRS/HKFRS 9, IAS/HKAS 39, IFRS/HKFRS 7, IFRS/HKFRS 4 and IFRS/HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The Directors anticipate that the application of the amendments to IFRSs/HKFRSs in the current interim period has no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE

Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Types of goods and services		
SaaS cloud service	14,334,990	11,980,439
SaaS for hardware IoT	11,439,190	11,977,103
SaaS for rights/interests/points/marketing/promotion	2,231,564	-
Total	28,005,744	23,957,542
Timing of revenue recognition		
Over time	3,686,780	3,076,857
A point in time	24,318,964	20,880,685
Total	28,005,744	23,957,542
Geographical market		
Mainland China	28,005,744	23,957,542

The Company mainly provide the following SaaS services:

- SaaS cloud services that include the provision of system development services of RMB1,455,216 (2020: RMB3,076,857) and information technology services of RMB12,879,774 (2020: RMB8,903,582);
- SaaS hardware IoT that include sale of point-of-sale machine and other hardware of RMB11,439,190 (2020: RMB11,977,103); and
- SaaS for rights/interests/points/marketing/promotion of RMB2,231,564 (2020: Nil)

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

4. REVENUE - Continued

Disaggregation of revenue from contracts with customers - continued

Set out below is the reconciliation of the revenue from contracts with customers with total revenue.

	Notes	Six months ended 30 September	
		2021 RMB (Unaudited)	2020 RMB (Unaudited)
SaaS cloud service		14,334,990	11,980,439
SaaS for hardware IoT		11,439,190	11,977,103
SaaS for rights/interests/points/marketing/promotion		2,231,564	-
Revenue from contracts with customers	(a)	28,005,744	23,957,542
Leases of point-of-sale machines	(b)	486,179	1,008,132
Total revenue		28,491,923	24,965,674

Notes:

- (a) For the provision of SaaS cloud service, it includes the provision of system development services and information technology services.

Provision of system development services

It mainly included the development of T-Linx™ SaaS platform for banks and other customers for a fixed annual service fee. Revenue is recognised over the period of the contract by reference to the progress of work performed and acknowledged by the customers.

Provision of information technology services

It mainly represents the service fee at a rate of 2-3 basis points of the total transaction volume processed through T-Linx™ SaaS platform by customers. Revenue is recognised at the time the service is rendered.

For the SaaS for hardware IoT, it is the sale of SaaS service related hardware. Revenue is recognised when the control of the machines is transferred to customers.

For the SaaS for rights/interests/points/marketing/promotion, revenue is recognised based on progress of work performed and acknowledged by the customers. It mainly including marketing management to increase upsell for both banks, merchants and other partners.

All revenue contracts are for periods of one year or less. As permitted under IFRS/HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

- (b) Leases

	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
For operating leases:		
Lease payments of point-of-sale machines that are fixed	486,179	1,008,132

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

5. SEGMENT INFORMATION

The Group manages its business by divisions which are organised from the services perspective.

Information reported to the board of directors of the Company (the “Board”), being the chief operating decision maker, for the purpose of resources allocation and performance assessment, the Group’s operating activities are attributable to a single operating segment as the revenue are derived from interconnected services of T-Linx™ SaaS platform including SaaS cloud service, SaaS for hardware IoT and SaaS for rights/interests/points/marketing/promotion. Accordingly, no segment analysis is presented other than entity-wide disclosures.

6. OTHER INCOME AND GAINS, NET

	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Government grants	336,700	17,961
Sundry income	161,767	142,828
Interest income on bank deposits	13,786	1,360
Gain on disposal of plant and equipment	-	1,392
Loss on written-off of plant and equipment	(38)	(137,884)
	512,215	25,657

7. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Impairment losses (reversed) recognised on:		
- trade receivables	(17,478)	71,585
- other receivables	(61,579)	154,563
- amounts due from associates	61,947	5,255
	(17,110)	231,403

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

8. FINANCE COSTS

	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Interest on:		
- Convertible bonds	495,023	1,264,585
- Lease liabilities	60,341	78,113
- Other borrowing	75,758	79,124
	631,122	1,421,822

9. INCOME TAX

- (a) No provision of taxation in Hong Kong has been made as the group entities in Hong Kong did not generate any assessable profits for the six months ended 30 September 2021 and 2020.
- (b) PRC subsidiaries are subject to PRC enterprise income tax ("EIT") at 25%. No provision of EIT of Shenzhen Tao-taogu Information Technology Co., Ltd. ("STIT") has been made as the assessable profits for the period was wholly absorbed by tax losses brought forward for the six months ended 30 September 2021 and 2020.
- (c) No provision of EIT has been made in the condensed consolidated financial statements as the other PRC subsidiaries sustained a loss for the six months ended 30 September 2021 and 2020.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

10. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Note	Six months ended 30 September	
		2021 RMB (Unaudited)	2020 RMB (Unaudited)
Amortisation of intangible assets		30,378	81,104
Depreciation of plant and equipment		59,771	158,326
Depreciation of right-of-use asset		576,305	568,977
Loss on written-off of plant and equipment		38	-
Cost of services rendered		6,939,862	6,079,035
Cost of inventories sold		7,472,305	7,875,868
Cost of sales and services rendered		14,412,167	13,954,903
Written-off of other receivable, deposit and prepayment		-	1,969
Written-off of trade receivables		-	838
Equity-settled share-based payment – consultants and other qualified participants		499,300	74,367
Net foreign exchange loss (gain)		412,079	(452,943)
Directors' emoluments			
- Salaries and allowances		644,202	259,358
- Contribution to defined contribution retirement plan		23,291	4,658
- Equity-settled share-based payment		-	6,887
Staff cost (including directors' emoluments)	(a)		
- Salaries and allowances		8,543,180	7,038,192
- Contribution to defined contribution retirement plan		536,845	217,198
- Equity-settled share-based payment		-	6,887
		9,080,025	7,262,277

Note: Staff costs amounted to RMB3,256,963 (2020: RMB3,839,446), RMB245,447 (2020: RMB609,980), RMB2,434,227 (2020: RMB866,840) and RMB3,143,388 (2020: RMB1,946,011) have been included in cost of sales and service rendered, selling expenses, research and development expenses and general and administrative expenses respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2021

11. EARNINGS PER SHARE

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

Earnings	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	4,634,228	3,225,258
Effect of dilutive potential ordinary shares: Convertible bonds	(454,695)	443,705
Earnings for the purpose of diluted earnings per share	4,179,533	3,668,963

Number of shares	Six months ended 30 September	
	2021 RMB (Unaudited)	2020 RMB (Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	650,769,591	650,769,591
Effect of dilutive potential ordinary shares: Convertible bonds	23,546,705	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings per share	674,316,296	650,769,591

For the six months ended 30 September 2021, the computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options were substantially higher than the average market price of shares.

For the six months ended 30 September 2020, the computation of diluted earnings per share (i) does not assume the exercise of the Company's share options because the exercise price of those options were substantially higher than the average market price of shares and (ii) does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in an increase in earnings per share.

12. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

13. PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Plant and equipment RMB	Intangible assets RMB
Carrying amount at 1 April 2021 (audited)	586,565	65,516
Costs:		
Additions	119,992	-
Written-off	(754)	-
	119,238	-
Depreciation and amortisation:		
Charge for the period	59,771	30,378
Written-off	(716)	-
	59,055	30,378
Carrying amount at 30 September 2021 (unaudited)	646,748	35,138

14. RIGHT-OF-USE ASSET

The Group leases office for its operations. Lease contract is entered into for fixed term of 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2021

15. INTERESTS IN ASSOCIATES

	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)
Share of net assets	-	-

The particulars of all associates of the Group as at 30 September 2021 and 31 March 2021, which are unlisted corporate entity, are as follows:

Name of associates	Place of incorporation and type of legal entity	Principal activities and place of operation	Registered capital	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group	
				30	31	30	31
				September 2021	March 2021	September 2021	March 2021
Shenzhen Intelligent Preferential Pay Company Limited* ("IPP") (深圳市智惠付信息技術有限公司)	PRC, limited liability company	Provision of e-commerce, information technology consultancy services, electronic promotion services and electronic messaging information services	RMB2,000,000	32.5%	32.5%	32.5%	32.5%
Shenzhen Dashouhou Information Technology Co., Ltd* (深圳市大售後信息技術有限公司)	PRC, limited liability company	Provision of e-commerce system development and information technology services	RMB1,000,000	47.5%	47.5%	47.5%	47.5%
TTG Fintech Services Limited	Hong Kong, limited liability company	Provision of e-commerce system development and information technology services	HK\$1,000,000	40%	40%	40%	40%

* The English translation of the company name is for reference only. The official name of these companies is in Chinese.

All of the associates of the Group are accounted for using the equity method in the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

16. TRADE AND OTHER RECEIVABLES

	Note	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)
Trade receivables:			
- Contract with customers		22,630,960	18,286,314
- Leases		250,880	545,390
		22,881,840	18,831,704
Less: allowance for credit losses		(124,563)	(142,041)
	(a)	22,757,277	18,689,663
Other receivables		2,382,535	3,192,886
Amounts due from associates (Note 21(c))		4,198,579	4,236,583
Amount due from a related company (Note 21(c))		545,000	1,490,000
Prepayments and deposits		2,095,306	1,920,346
Value added tax recoverable		328,920	328,670
		9,550,340	11,168,485
Less: allowance for credit losses		(1,302,211)	(1,301,843)
Other receivables, net of allowance		8,248,129	9,866,642
		31,005,406	28,556,305

Note:

- a) The credit periods of trade receivables ranged from 90 days to 1 year.

As at 30 September 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB1,652,439 (31 March 2021: RMB2,654,327) which are past due at the reporting date. Out of the past due balances, RMB1,467,915 (31 March 2021: RMB1,830,257) has been past due 90 days or more and is not considered as in default by considering the ongoing business relationship, repayment history and expected future settlements. The Group does not hold any collateral over these balances.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

17. TRADE AND OTHER PAYABLES

	Note	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)
Trade payables	(a)	2,399,771	3,934,209
Other payables and accruals		4,155,493	4,836,946
Deposits received		1,702,608	1,708,200
Amount due to a related party (Note 21(c))		490,000	-
Amounts due to directors (Note 21(c))		2,437,095	2,423,269
<hr/>			
Financial liabilities measured at amortised cost		11,184,967	12,902,624
Other tax levies payables		1,791,397	1,501,687
<hr/>			
		12,976,364	14,404,311

Note:

a) The credit periods of trade payables ranged from 30 to 90 days.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2021

18. CONVERTIBLE BONDS

a) Movements in the components of the convertible bonds

The movements in the liability and derivative components of the convertible bonds during the year ended 31 March 2021 are set out below:

	Notes	Liability component RMB	Derivative component			Total RMB
			Gross RMB	Deferred day one gain RMB	Net RMB	
At 1 April 2020 (Audited)		21,768,514	219,265	934,181	1,153,446	22,921,960
Extinguishment during the year arising from modification of convertible bonds	(i) - (iv)	(11,291,587)	(12,358)	-	(12,358)	(11,303,945)
Issuance of convertible bonds	(i) - (iv)	10,947,858	323,073	10,854	333,927	11,281,785
Repayment	(v)	(1,319,600)	-	-	-	(1,319,600)
Amortisation of deferred day one gain in profit or loss		-	-	(577,111)	(577,111)	(577,111)
Change in fair value of embedded derivatives		-	10,785	-	10,785	10,785
		-	10,785	(577,111)	(566,326)	(566,326)
Exchange movement		(1,058,444)	36,470	(53,327)	(16,857)	(1,075,301)
Interest expenses		1,780,624	-	-	-	1,780,624
At 31 March 2021 (Audited)		20,827,365	577,235	314,597	891,832	21,719,197
Total unrealised (loss) gain for the year included in profit or loss for liabilities held at the year ended 31 March 2021		-	10,785	(577,111)	(566,326)	(566,326)

The movements in the liability and derivative components of the convertible bonds during the six months ended 30 September 2021 are set out below:

	Note	Liability component RMB	Derivative component			Total RMB
			Gross RMB	Deferred day one gain RMB	Net RMB	
At 1 April 2021 (Audited)		20,827,365	577,235	314,597	891,832	21,719,197
Repayment	(vi)	(2,375,280)	-	-	-	(2,375,280)
Amortisation of deferred day one gain in profit or loss		-	-	(103,228)	(103,228)	(103,228)
Change in fair value of embedded derivatives		-	(502,703)	-	(502,703)	(502,703)
		-	(502,703)	(103,228)	(605,931)	(605,931)
Exchange movement		(321,025)	(17,918)	(4,844)	(22,762)	(343,787)
Interest expenses		495,023	-	-	-	495,023
At 30 September 2021 (Unaudited)		18,626,083	56,614	206,525	263,139	18,889,222
Total unrealised gain for the period included in profit or loss for liabilities held at the six months ended 30 September 2021		-	(502,703)	(103,228)	(605,931)	(605,931)

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

18. CONVERTIBLE BONDS - Continued

a) Movements in the components of the convertible bonds - continued

Notes:

During the year ended 31 March 2021

- (i) Modification of term of convertible bond with principal amount of AUD500,000 issued on December 2016 ("CB 1")

On 31 December 2020, the Company and the CB 1 holder entered into an acknowledgement and confirmation confirming that the maturity date of the CB 1 shall be extended for a further 2 years period to 31 December 2022 and all other terms and conditions of the CB 1 remained unchanged. The modification of the CB 1 is accounted for as an extinguishment under IFRS/HKFRS 9 as the terms are substantially different taking into account that the discounted present value of the cash flows under the new terms, including any fee paid net of any fees received and discounted using the original effective interest rate, is greater than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability using the original effective interest rate. Such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised with RMB3,060 is recognised as gain on extinguishment arising from modification of convertible bonds in profit or loss during the year 31 March 2021.

- (ii) Modification of term of convertible bond with principal amount of RMB3,000,000 issued on 31 May 2017 ("CB 3")

On 31 December 2020, the Company and the CB 3 holder entered into an acknowledgement and confirmation confirming that the maturity date of the CB 3 shall be extended for a further 1.08 year period to 31 January 2022 and all other terms and conditions of the CB 3 remained unchanged. The modification of the CB 3 is accounted for as an extinguishment under IFRS/HKFRS 9 as the terms are substantially different taking into account that the discounted present value of the cash flows under the new terms, including any fee paid net of any fees received and discounted using the original effective interest rate, is greater than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability using the original effective interest rate. Such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised with RMB3,546 is recognised as gain on extinguishment arising from modification of convertible bonds in profit or loss during the year 31 March 2021.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

18. CONVERTIBLE BONDS - Continued

a) Movements in the components of the convertible bonds - continued

Notes: - continued

- (iii) Modification of term of convertible bond with principal amount of USD500,000 issued on 16 November 2017 ("CB 4")

On 15 November 2020, the Company and the CB 4 holder entered into an acknowledgement and confirmation confirming that the maturity date of the CB 4 shall be extended for 1.13 year period to 31 December 2021 and all other terms and conditions of the CB 4 remained unchanged. The modification of the CB 4 is accounted for as an extinguishment under IFRS/HKFRS 9 as the terms are substantially different taking into account that the discounted present value of the cash flows under the new terms, including any fee paid net of any fees received and discounted using the original effective interest rate, is greater than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability using the original effective interest rate. Such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised with RMB7,740 is recognised as gain on extinguishment arising from modification of convertible bonds in profit or loss during the year 31 March 2021.

- (iv) Modification of term of convertible bond with principal amount of USD376,687 issued on 16 November 2017 ("CB 5")

On 15 November 2020, the Company and the CB 5 holder entered into an acknowledgement and confirmation confirming that the maturity date of the CB 5 shall be extended for 2.13 year period to 31 December 2022 and all other terms and conditions of the CB 5 remained unchanged. The modification of the CB 5 is accounted for as an extinguishment under IFRS/HKFRS 9 as the terms are substantially different taking into account that the discounted present value of the cash flows under the new terms, including any fee paid net of any fees received and discounted using the original effective interest rate, is greater than 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability using the original effective interest rate. Such modification is accounted for as derecognition of the original financial liability and the recognition of new financial liability. The difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised with RMB7,814 is recognised as gain on extinguishment arising from modification of convertible bonds in profit or loss during the year 31 March 2021.

- (v) Repayment of convertible bond with principal amount of USD200,000 issued on 16 November 2017 ("CB 6")

The Company has repaid RMB1,319,600 (equivalent to USD200,000) to CB 6 holder during the year ended 31 March 2021.

During the six months period ended 30 September 2021

- (vi) Repayment of CB 4

The Company has repaid RMB2,375,280 (equivalent to USD360,000) to CB 4 holder during the six months period ended 30 September 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2021

18. CONVERTIBLE BONDS - Continued

b) Major terms of convertible bonds

Convertible bond	Notes	Issue date	Date of maturity	Principal amount	Effective interest rate of liability component	Conversion price per share AUD	As 30 September 2021 RMB	As at 31 March 2021 RMB
CB 1	18(a)(i)	9/12/2016	31/12/2022	AUD500,000 (31 March 2021: AUD500,000)	1.94% (31 March 2021: 1.94%)	0.20	2,270,860	2,485,733
CB 2		28/4/2017	28/4/2023	HK\$15,000,000 (31 March 2021: HK\$15,000,000)	8.49% (31 March 2021: 8.49%)	0.20	10,359,066	10,567,665
CB 3	18(a)(ii)	31/5/2017	31/1/2022	RMB3,000,000 (31 March 2021: RMB3,000,000)	1.90% (31 March 2021: 1.90%)	0.20	2,981,010	2,965,467
CB 4	18(a)(iii), (vi)	16/11/2017	31/12/2021	USD140,000 (31 Mar 2021: USD500,000)	2.11% (31 March 2021: 2.11%)	0.20	868,985	3,243,252
CB 5	18(a)(iv)	16/11/2017	31/12/2022	USD376,687 (31 March 2021: USD376,687)	2.14% (31 March 2021: 2.14%)	0.20	2,409,301	2,457,080
							18,889,222	21,719,197
Less: Non-current portion							(15,039,227)	(15,510,478)
							3,849,995	6,208,719

All the convertible bonds are zero coupon bonds.

The principal amount of convertible bonds can be converted into ordinary shares of the Company at an original conversion price (the "Conversion Price") per share, subject to adjustments, upon giving 30 days notice by the holders of the convertible bonds (the "Holders") to the Company, before the maturity date. The actual total number of ordinary shares can be converted depend on the exchange rate at one day before the conversion.

The ordinary shares to be converted by the Holders carry the same right as the existing shareholders of the Company. If there is dilution of existing shares, the Holders can apply the new ordinary shares on a pro-rata basis to retain their shareholdings. The issuance price of new ordinary shares are not lower than the Conversion Price. If the issuance price of new ordinary shares is lower than the Conversion Price, the Holders can then convert more shares as if the Conversion Price is the same as the issuance price of new ordinary shares.

c) Conversion at the option of the Holders

The Company will, at the option of the Holders convert all the convertible bonds upon maturity.

The fair value of the convertible bonds was determined by an independent qualified valuer. The fair value of the embedded derivatives (conversion and early redemption component) of the convertible bonds was determined using the binomial valuation model. The residual value represents the fair value of the liability component upon the issuance of convertible bonds which was calculated at the present value of the redemption amount, at 100% of the principal amount.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

18. CONVERTIBLE BONDS - Continued

c) Conversion at the option of the Holders - continued

The fair value of the embedded derivatives of the convertible bonds was determined using the binomial model, and inputs into the model at the relevant dates were as follows:

	Six months ended 30 September 2021				
	At issue date				
	CB 1	CB 2	CB 3	CB 4 and 5	
Share price (AUD)	0.074	0.06	0.06	0.125	
Conversion price (AUD)	0.20	0.20	0.20	0.20	
Risk free interest rate	1.91%	1.80%	1.60%	1.94%	
Time to maturity (year)	3.1	3	2.6	3	
Expected volatility	32%	45%	40%	30%	
Expected dividend yield	0%	0%	0%	0%	

	At 30 September 2021				
	CB 1	CB 2	CB 3	CB 4	CB5
Share price (AUD)	0.06	0.06	0.06	0.06	0.06
Conversion price (AUD)	0.20	0.20	0.20	0.20	0.20
Risk free interest rate	0.02%	0.03%	0.01%	0.01%	0.02%
Time to maturity (year)	31 December 2022	28 April 2023	31 January 2022	31 December 2021	31 December 2022
Expected volatility	42%	52%	32%	33%	42%
Expected dividend yield	0%	0%	0%	0%	0%

The gain on change in fair value of embedded derivatives of the convertible bonds for the six months ended 30 September 2021 of RMB502,703 (30 September 2020: loss on change in fair value of RMB83,155) and amortisation of deferred day one gain of RMB103,228 (30 September 2020: gain of RMB411,770) were recognised as “Unrealised gain on change of fair value of embedded derivatives of convertible bonds” in the condensed consolidated statement of profit or loss and other comprehensive income. The related interest expense of the liability component of the convertible bonds for the six months ended 30 September 2021 amounted to RMB495,023 (30 September 2020: RMB1,264,585), which was calculated using the effective interest method.

19. SHARE CAPITAL

	Number of ordinary shares	HK\$	RMB equivalent
Issued and fully paid:			
At 1 April 2020, 31 March 2021 and 30 September 2021	650,769,591	117,194,865	87,189,117

Note: The holders of ordinary shares are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

20. SHARE OPTION SCHEME

The Company's share option scheme (the Scheme) was adopted pursuant to a resolution passed on 18 September 2015 for the primary purpose of providing incentives to qualifying grantees. Qualifying grantees of the Scheme mean (i) any employee, director, or any contractor of the Company or any group company; or (ii) any consultant or other qualified participants who provide goods or services to the Company or any group company.

On 12 August 2015, the Company granted 9,770,000 and 2,000,000 share options to certain consultants and other qualified participants at the exercise price of AUD0.80 and AUD1.0 per option share (the "August 2015 Option") respectively. Share options granted to participants other than employees are measured at fair value of options granted as these other participants are providing services that are similar to those rendered by employees. The fair value of the options determined at the date of grant using the binomial option pricing model were AUD727,445. The consultants and other qualified participants have rendered services to the Group during the six months ended 30 September 2021 and year ended 31 March 2021.

On 23 September 2015, the Company granted 7,577,474 share options to two directors at the exercise price of AUD0.80 per option share (the "September 2015 Option"). The fair value of the options determined at the date of grant using the binomial option pricing model were AUD414,920. These directors have rendered services to the Group during the six months ended 30 September 2021 and year ended 31 March 2021.

On 1 October 2016, the Company granted 20,000,000 share options to a consultant and at the exercise price of AUD0.30 per option share (the "October 2016 Option"). Share options granted to a consultant other than employees are measured at fair values of options granted as this consultant is providing services that are similar to those rendered by employees. The fair value of the options determined at the date of grant using the binomial option pricing model were AUD2,635. The consultant has rendered services to the Group during the year ended 31 March 2020. The options are expired during the year ended 31 March 2020.

On 17 January 2018, the Company granted 6,000,000 share options to a consultant at the exercise price of AUD0.30 per option share (the "January 2018 Option"). Share options granted to a consultant other than employees are measured at fair values of options granted as this consultant is providing services that are similar to those rendered by employees. The fair value of the options determined at the date of grant using the binomial option pricing model were AUD6,080. This consultant has rendered services to the Group during the year ended 31 March 2021. The options are expired during the year ended 31 March 2021.

On 28 September 2018, the Company granted 31,800,000 share options to four directors at the exercise price of AUD0.2 per option share (the "September 2018 Option"). The fair value of the options determined at the date of grant using the binomial option pricing model were AUD10,000. These directors have rendered services to the Group during the year ended 31 March 2021. The options are expired during the year ended 31 March 2021.

On 1 December 2020, the Company granted 27,040,491 share options to consultants at the exercise price of AUD0.2 per option share (the "December 2020 Option"). The fair value of the options determined at the date of grant using the binomial option pricing model were AUD336,000. These consultants have rendered services to the Group during the six months ended 30 September 2021 and the year ended 31 March 2021.

On 23 February 2021, the Company granted 30,000,000 and 12,000,000 share options to consultants at the exercise price of AUD0.3 and AUD0.2 per option share respectively (the "February 2021 Option"). The fair value of the options determined at the date of grant using the binomial option pricing model were AUD40,000. These consultants have rendered services to the Group during the six months ended 30 September 2021 and the year ended 31 March 2021.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

20. SHARE OPTION SCHEME - Continued

(i) Details of specific categories of options are as follows:

Category of eligible persons	No. of share options granted	Date of grant	Period during which share options are exercisable	Exercise price per share	Exercise period of options
Consultants and other qualified participants (Group A)	9,770,000	12 August 2015	From 1 July 2016 to 30 June 2017 (10%)	AUD0.80	1-2 years
			From 1 July 2017 to 30 June 2018 (10%)		
			From 1 July 2018 to 30 June 2019 (20%)		
			From 1 July 2019 to 30 June 2020 (20%)		
			From 1 July 2020 to 30 June 2022 (40%)		
Consultants and other qualified participants (Group B)	2,000,000	12 August 2015	From 1 July 2016 to 30 June 2017 (10%)	AUD1.00	1-2 years
			From 1 July 2017 to 30 June 2018 (10%)		
			From 1 July 2018 to 30 June 2019 (20%)		
			From 1 July 2019 to 30 June 2020 (20%)		
			From 1 July 2020 to 30 June 2022 (40%)		
Directors (Note)	7,577,474	23 September 2015	From 1 July 2016 to 30 June 2017 (10%)	AUD0.80	1-2 years
			From 1 July 2017 to 30 June 2018 (10%)		
			From 1 July 2018 to 30 June 2019 (20%)		
			From 1 July 2019 to 30 June 2020 (20%)		
			From 1 July 2020 to 30 June 2022 (40%)		
Consultant	20,000,000	1 October 2016	From 1 October 2016 to 30 September 2017 (30%)	AUD0.30	1 year
			From 1 October 2017 to 30 September 2018 (35%)		
			From 1 October 2018 to 30 September 2019 (35%)		

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

20. SHARE OPTION SCHEME - Continued

(i) Details of specific categories of options are as follows: - continued

Category of eligible persons	No. of share options granted	Date of grant	Period during which share options are exercisable	Exercise price per share	Exercise period of options
Consultant	6,000,000	17 January 2018	From 17 January 2018 to 31 January 2021 (100%)	AUD0.30	3 years
Directors	31,800,000	28 September 2018	From 28 September 2018 to 18 January 2021 (100%)	AUD0.20	2.3 years
Directors	31,800,000	28 September 2018	28 September 2018 to 18 January 2021	AUD0.20	2.3 years
Consultant	11,500,000	1 December 2020	From 1 December 2020 to 30 November 2021 (5,000,000 Options) From 1 December 2021 to 30 November 2022 (6,500,000 Options)	AUD0.20	1 years
Consultant	13,540,491	1 December 2020	From 1 December 2020 to 30 November 2021 (6,000,000 Options) From 1 December 2021 to 30 November 2022 (7,540,491 Options)	AUD0.20	1 years
Consultant	2,000,000	1 December 2020	1 December 2020 to 31 May 2022	AUD0.20	1.5 years
Consultant	30,000,000	23 February 2021	24 February 2021 to 23 February 2022	AUD0.30	1 year
Consultant	12,000,000	23 February 2021	24 February 2021 to 23 February 2022	AUD0.20	1 year

Note:

A director with 6,377,474 September 2015 Option resigned during the year ended 31 March 2018 and the respective share options were lapsed.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

20. SHARE OPTION SCHEME - Continued

(ii) The following table discloses movement of the Company's share options held by the Group's qualifying grantees during the period/year:

	Weighted average exercise price		Number of share options	
	As at 30 September 2021 AUD	As at 31 March 2021 AUD	As at 30 September 2021	As at 31 March 2021
Outstanding at the beginning of the period / year	0.285	0.243	74,228,491	45,582,000
Granted during the period / year	N/A	0.243	-	69,040,491
Lapsed during the period / year	N/A	0.255	-	(40,394,000)
Outstanding as at the end of the period / year	0.285	0.285	74,228,491	74,228,491
Exercisable at the end of the period / year	0.252	0.252	60,188,000	60,188,000

No options were exercised during the six months ended 30 September 2021 (2020: Nil).

The options have contractual option terms ranged from 1 year to 3 years. The options outstanding at 30 September 2021 had exercise prices ranged from AUD0.2 to AUD1.0 and a weighted average remaining contractual lives of 0.54 years.

(iii) Fair value of share options and assumptions:

	August 2015 Option		September 2015 Option	October 2016 Option	January 2018 Option	September 2018 Option	December 2020 Option	February 2021 Option
	Group A	Group B						
Fair value per share option (AUD)	0.063	0.054	0.055	0-0.003	0.001	0.00032	0.0095-0.0148	0.00044-0.00223
Grant date share price (AUD)	0.2	0.2	0.2	0.08	0.105	0.075	0.125	0.087
Exercise price (AUD)	0.8	1.0	0.8	0.3	0.3	0.2	0.2	0.2-0.3
Expected life (Years)	6.883	6.883	6.768	3	3.01	2.3	1.5-2	1
Expected volatility (%) (Note)	61.239	61.239	57.986	32-33	30	29	48-56	57
Dividend yield (%)	0	0	0	0	0	0	0	0
Risk-free interest rate (%)	2.353	2.353	2.363	1.64-1.66	2.17	2.04	0.04-0.10	0.09

Note: Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restriction and behavioral considerations.

The binomial option pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share option is based on the Directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the option.

During the six months ended 30 September 2021, the Group recognised total expenses of RMB499,300 (six months ended 30 September 2020: RMB81,254) as share option expense.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2021

21. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these condensed consolidated financial statements, the Group has entered into the following material related party transactions during the period.

a) Transactions with key management personnel

All members of key management personnel are the Directors. The remuneration paid to them during the year were disclosed in Note 10 to the condensed consolidated financial statements.

b) Transactions with other related parties:

Name of related party	Nature of transaction	Six months ended 30 September	
		2021 RMB (Unaudited)	2020 RMB (Unaudited)
Ling Fang	Loan to the Group	1,000,000	-
IPP	Technical service fee expense	54,528	89,623
	Purchase of point-of-sale machines	28,910	19,221
		28,910	19,221

The Directors are of the opinion that the above transactions were negotiated on a normal commercial terms and conditions that would be available to third party.

Note: IPP is an associate of the Group.

c) The Group had the following material balances with related parties:

Name of related party	Notes	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)
Amounts due to directors:			
- Mr. Chow Ki Shui Louie	(i)	(2,040,764)	(2,026,938)
- Mr. Xiong Qiang	(i)	(396,331)	(396,331)
		(2,437,095)	(2,423,269)
Amount due from a related company:			
- Shenzhen Bozhong Communication Technology Company Limited ("Shenzhen Bozhong") * (深圳市伯仲通信技術有限公司)	(i)&(ii)	545,000	1,490,000
Amounts due from associates, net balance:			
- IPP	(i) &(iv)	138,663	109,414
- TTG Fintech Service Limited	(i) &(iv)	3,520,147	3,649,347
		3,658,810	3,758,761
Amount due to a related party			
- Ms. Ling Fang	(i) & (ii)	490,000	-

* The English name is for identification only

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

21. MATERIAL RELATED PARTY TRANSACTIONS - Continued

The Group had the following material balances with related parties: - continued

Notes:

- (i) The amounts are unsecured, interest free and repayable on demand.
- (ii) Ms. Ling Fang, the wife of Mr. Xiong Qiang, a director and a shareholder of the Company, is the director and major shareholder of Shenzhen Bozhong. The maximum outstanding balance of amount due from a related company is RMB1,490,000 during the six months ended 30 September 2021.
- (iii) The amounts due from (to) the above related parties are included in trade and other receivables (Note 16) and trade and other payables (Note 17) respectively.
- (iv) The amounts represent the amounts due from associates net of allowance for credit losses.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

The Board is responsible for determining the appropriate valuation technique and inputs for fair value measurement.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Board works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial liability that is measured at fair value on a recurring basis

Financial liability	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input
	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)			
Embedded derivative of convertible bonds	263,139	891,832	Level 3	Binomial option pricing model, expected volatility	Expected volatility range from 32% to 52% (31 March 2021: 47% to 52%) taking into account the fluctuation of share price of the Company (Note)

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - Continued

Fair value measurements and valuation processes - continued

Note:

If the volatility rate had been 10% higher/lower than management's estimates at 30 September 2021, it would have increased/decreased the fair value of embedded derivatives of the convertible bonds by RMB83,133 (31 March 2021: RMB386,263) and RMB42,761 (31 March 2021: RMB304,265) respectively.

There were no transfers between Levels 1, 2 and 3 in current and prior year.

Reconciliation of Level 3 fair value measurements:

	Embedded derivative of convertible bonds RMB
At 1 April 2020	1,153,446
Extinguishment during the year arising from modification of convertible bonds	(12,358)
Issuance of convertible bonds	333,927
Amortisation of deferred day one gain in profit or loss	(577,111)
Fair value changes	10,785
Exchange movement	(16,857)
<hr/>	
At 31 March 2021	891,832
Amortisation of deferred day one gain in profit or loss	(103,228)
Fair value changes	(502,703)
Exchange movement	(22,762)
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At 30 September 2021	263,139

The Board considers that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the condensed financial statements approximate their values.

23. CAPITAL COMMITMENT

	As at 30 September 2021 RMB (Unaudited)	As at 31 March 2021 RMB (Audited)
Contracted but not provided for:		
- Capital contribution to subsidiaries	22,543,000	22,543,000
- Capital contribution to other investments	1,500,000	1,500,000
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	24,043,000	24,043,000

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2021

24. EVENT AFTER REPORTING PERIOD

On 19 October 2021, the Company granted 13,000,000 share options to four directors at the exercise price of AUD0.3 per option share.

25. COMPARATIVE FIGURES

During the six months period ended 30 September 2021, for enhancing the relevance of the presentation of the condensed consolidated financial statements, reclassifications have been made to certain comparative figures presented in the condensed consolidated financial statements in respect of the prior period to achieve comparability with the current period's presentation. As a result, the following line items regarding comparative figures have been amended and adjusted, together with the related notes to confirm the current period's presentations:

For the six months period ended 30 September 2020

	Previous reported RMB	Reclassification RMB	As restated RMB
Condensed consolidated statement of profit or loss and other comprehensive income			
Research and development expenses	-	866,840	866,840
General and administrative expenses	5,662,218	(866,840)	4,795,378

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REPRESENTATIVE OFFICE IN AUSTRALIA

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Australia

BOARD OF DIRECTORS

Executive Directors

XIONG Qiang (President & Chief Executive Officer)
CHOW Ki Shui Louie (Vice President & Deputy Chief Executive Officer and Chief Financial Officer)

Non-Executive Directors

RYAN Christopher John (Independent Chairman)
HONG Yu Peng

COMPANY SECRETARIES

CHOW Ki Shui Louie

AUDITORS

Asian Alliance (HK) CPA Limited

AUDIT AND RISK MANAGEMENT COMMITTEE

RYAN Christopher John (Chairman of Committee)
HONG Yu Peng (Non-Executive Director)

NOMINATION AND REMUNERATION COMMITTEE

RYAN Christopher John (Chairman of Committee)
XIONG Qiang (President & Chief Executive Officer)
CHOW Ki Shui Louie (Vice President & Deputy Chief Executive Officer)
HONG Yu Peng (Non-Executive Director)

AUSTRALIA BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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