
QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

QUARTER ENDED 31 DECEMBER 2022

Fintech Chain Limited (ASX: FTC), or the “Company”, exclusive provider of the **T-Linx™ SaaS platform** (Software as a Service), hereby presents its Quarterly Activities Report and Appendix 4C for the quarter ended 31 December 2022 (Q3).

Financial Update

Q3 Cashflow

As at 31 December 2022, FTC held positive cash balances of RMB 11.5m compared to the beginning of quarter of RMB 4.0m. During Q3, FTC received RMB 23.2m in cash receipts.

During Q3, there were no material developments or changes in FTC’s business activities.

Expenditure incurred during Q3 included:

Research and development	RMB	2.4m
Product manufacturing and operating costs	RMB	5.3m
Asset leasing assets	RMB	0.5m
Staff costs	RMB	2.9m
Administration and corporate costs	RMB	1.9m
Total operating payments	RMB	13.0m

Product manufacturing and operating costs decreased to RMB 5.3m following last quarter’s peak season budgeted increased purchases of SaaS for hardware IOT inventory of RMB 17.1m.

There were no significant changes during the quarter in research and development, leased assets, administration and corporate costs or staff costs.

Convertible Bonds (CB’s)

915,299 CBs with a principal value of US\$140,000 matured on 31 December 2022 and were repaid in January 2023.

2,500,000 CBs and 2,462,947 CBs with a principal value of A\$500,000 and US\$376,687 matured during the quarter and 4,962,947 replacement CBs with a principal value of US\$716,000 were issued on 10 January 2023 under equivalent terms.

Financial Update (Cont'd)

Repayment of borrowings (Item 3.6)

During Q3, FTC repaid RMB 2.7m in loan principal to WeBank. The WeBank finance facility has been paid out in full.

Payments to related parties of the entity and their associates

During the quarter, President Mr. Xiong Qiang was paid RMB 140,502 as ordinary remuneration for his role as CEO of FTC's wholly owned subsidiary, Shenzhen Taotaogu information Technology Co., Ltd. ("TTG").

No other payments were made to directors or their associates.

Business Environment

The continuing development of digital transaction technology in China means the Company's T-Linx™ modular platform is expanding its financial markets penetration. T-Linx™ in providing seamless inter-connectivity and intelligent digital processing, will continue to attract industry demand and meet the growing needs of both the banking and enterprise sectors.

Business Activities in Q3

During Q3, FTC continued to service existing banks and merchant partners. There were no material changes to FTC's ongoing business activities, as described in the section "About FTC" which forms part of this announcement.

Winning Project Tenders

TTG's Agri-trade Industry Funds Collection and Payment Management Middleware Solution won the bid for the Smart Ginger Industry Platform Project of Shandong Rushan Rural Commercial Bank Co., Ltd. The financial value of this contract to the Company will be disclosed once user acceptance testing has concluded and contractual commercial terms agreed.

Industry Award

The Company continues to achieve prominent industry recognition, the latest of which is being awarded the 2022 Alipay Digital Payment Cooperating Service Provider of the Year.

New Solution Launched

During Q3 the Company launched a new “Enterprise Funds Link” solution. Using an enterprise’s bank account, the solution includes streamlining of an enterprise’s internal employee salary payments, daily expense process management and enterprise upstream & downstream business settlement lines. Enterprise Funds Link provides a whole collection and payment solution to enterprise through bank-enterprise payment interfaces. It simplifies usual cumbersome and repetitive transactional operations for enterprises’ financial personnel.

There are eight unique corporate collection and payment service functions for financial account management including

- 1、 Collection & payment process submission/reporting management
- 2、 Bank-enterprise direct docking
- 3、 Management of multiple sets of accounts for branch companies
- 4、 Supports docking with financial ERP system
- 5、 Automatic daily accounting report management
- 6、 Automatic revenue audit and payment recognition
- 7、 Payment anti-duplication mechanism
- 8、 Smart and batch payments

Business Outlook

The COVID epidemic prevention and control measures in China have been gradually eased since December 2022. It is expected that usual goods and services consumption will resume during calendar 2023. Given this expected improvement, T-Linx™ system, as an infrastructure of payment processing for cooperating banks, is expected to achieve of the benefit of increased transaction volume, implementation and adoption.

Bank-level and enterprise-level T-Linx™ middleware has evolved as the two-wheel-driven development strategy of FTC's future business, forming a digital interconnection bridge between banks and their enterprise clients. In order to lay a solid foundation for the collaborative services of enterprises and banks, in Dec 2022, FTC launched “Enterprise Funds Link” solution which is a very important product based on bank-enterprise cooperation for digital transformation and upgrading of corporate financial collections and payments. “Enterprise Funds Link” is a real one-stop management solution in banks servicing enterprises for the full range of corporate funds, making corporate account funds **visible, manageable, and well-usable.**

This announcement has been authorised for release to ASX by the Board of Directors of FTC.

About FTC

FTC's 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** connects various software and hardware, and serves banks, merchants, and consumers, in the form of cloud services in a compliant, safe, credible and user-friendly manner.

The **T-Linx™ SaaS** platform connects and serves four main types of platform partners (**Refer Note 1**) to create upselling and cross-selling opportunities within various payment environments.

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: including integrated payments with multiple payment channels; integrated merchant submission; reconciliation processing; risk control; branch management; unified settlement report;
 - Services for Merchants: including integrated payments; integrated payment QR codes; payment collection plugin; payment collection APP; payment APIs;
- (ii) Payment Digital Transformation SaaS service (merchant solutions/industry applications)
 - Provides leading operation systems/software to various merchants/ industries.
 - Smart merchant solutions/industry applications for over 40 different industries including: Food and Beverage; Retail; Carpark; Hospital; Scenic Spot; Property Management; Bill Payments; CRM;

2. SaaS for rights/interests/points/marketing/promotion (Refer Note 2)

- A one-stop SaaS for marketing management to increase upselling opportunities for 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. (**Refer Note 3**)

4. SaaS financial service

- Increase upselling and cross-selling opportunities for various partners.
- including Buy-Now-Pay-Later (BNPL) services

Note 1

Platform partners	Benefits
Banks	Increase in bank deposits Integrated acquiring management Real-time settlement services Credit card services Loans Wealth management Risk control Bank account holder rights services Customer services Robotic Processing Automation (RPA)
Merchants	Integrated payment services Real-time bill management Wealth management Loans Membership marketing management Reconciliation processing Risk control & compliance
Consumers	Receipt of accurate information Selection of multiple payment methods Access to consumer financial services Accumulation of points by consumption Receiving new discounts Payment by points
Other partners	<p>Various software, hardware, products and services required by banks, merchants, and consumers can be promoted, resulting in the benefits to platform participants. The various services of T-Linx™ SaaS platform can be promoted through the bank's private cloud, compliant and safe public cloud, and well-known cloud service companies. Moreover, by combining hardware upgrades and digital upgrades in various merchant solutions (industry applications), each hardware component can be integrated in seamless docking and communication, and hence forming an IoT payment environment.</p>

Note 2

A one-stop SaaS for marketing management providing various preferential marketing tools for banks and merchants. It comprehensively assists the development of merchants by improving customer acquisition capability, and therefore enhance merchants' transaction activity.

Note 3

Merchant/Industry	Hardware IoT
Food and Beverage	Touch screen ordering equipment Kitchen/Bar network printers Portable POS machines
Retail	Cash Registers Barcode/QR code scanners Electronic scales Payment scanner boxes
Carpark	Barrier gates Car plate recognition cameras Entry and exit payment scanners
Hospital	Self-service terminals Portable POS machines
Scenic Spots	Ticket vending machines Ticket checking gates Portable ticket checking machines

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For further information visit www.ttg.hk or contact Mr. Chris Ryan, Independent Australian Chairman of FinTech Chain Limited at +61 439 970305.

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

Name of entity

FINTECH CHAIN LIMITED

ARBN

158 702 400

Quarter ended ("current quarter")

31 December 2022

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	23,192,126	76,894,512
1.2 Payments for		
(a) research and development	(2,385,704)	(7,059,056)
(b) product manufacturing and operating costs	(5,360,863)	(40,342,225)
(c) advertising and marketing	-	-
(d) leased assets	(479,566)	(1,358,278)
(e) staff costs	(2,878,777)	(9,464,521)
(f) administration and corporate costs	(1,933,015)	(4,921,007)
1.3 Dividends received (see note 3)		-
1.4 Interest received	1,753	19,338
1.5 Interest and other costs of finance paid	(41,832)	(144,247)
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	647,500	720,489
1.8 Other (provide details if material)	(532,228)	(632,228)
1.9 Net cash from / (used in) operating activities	10,229,394	13,712,777

2. Cash flows from investing activities	-	-
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(17,050)	(48,800)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter RMB	Year to date (9 months) RMB
(e) intellectual property	-	-
(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	(17,050)	(48,800)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue/(repayment) 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	-	6,100,000
3.6 Repayment of borrowings	(2,700,000)	(3,900,000)
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	(2,700,000)	2,200,000

Consolidated statement of cash flows		Current quarter RMB	Year to date (9 months) RMB
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,950,392	9,008,617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	10,229,394	13,712,777
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(17,050)	(48,000)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,700,000)	2,200,000
4.5	Effect of movement in exchange rates on cash held	(1,427)	6,377
4.6	Misappropriated funds	-	(13,417,662)
4.7	Cash and cash equivalents at end of period	11,461,309	11,461,309

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	11,461,309	3,950,392
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)	11,461,309	3,950,392

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	140,502
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>		

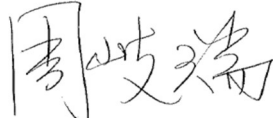
7. Financing facilities	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	8,000,000	2,200,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	8,000,000	2,200,000
7.5 Unused financing facilities available at quarter end		5,800,000
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.		
<p>During FY2023 Q1, FTC drew down an unsecured loan of RMB 3.9m from WeBank for working capital purposes. FTC fully repaid in Q2 and Q3.</p> <p>During FY2023 Q2, FTC drew down an unsecured loan of RMB 2.2m from Industrial and Commercial Bank of China for working capital purposes. The interest rate is 4.25%p.a.. The maturity date is 27 March 2023.. FTC can repay the loan anytime before the maturity date.</p>		

8. Estimated cash available for future operating activities	RMB
8.1 Net cash from / (used in) operating activities (item 1.9)	10,229,394
8.2 Cash and cash equivalents at quarter end (item 4.6)	11,461,309
8.3 Unused finance facilities available at quarter end (item 7.5)	5,800,000
8.4 Total available funding (item 8.2 + item 8.3)	17,261,309
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: N/A	
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: N/A	
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: N/A	
<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: 31st Jan 2023



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.