
QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

QUARTER ENDED 31 MARCH 2023

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 March 2023 (Q4).

Financial Update

Q4 Cashflow

As at 31 March 2023, FTC held positive cash balances of RMB 1.6m compared to the beginning of quarter of RMB 11.5m. FTC recorded RMB 11.1m cash inflows during the quarter and holds approximately RMB 18.4m in trade receivables as at 31 March 2023. We have forecast collection of trade receivables which will fall over a 3 - 6 months collection period due to current economic circumstance.

During Q4, there were no material developments or changes in FTC’s business activities.

Expenditure incurred during Q4 included:

Research and development	RMB	2.4m
Product manufacturing and operating costs	RMB	10.2m
Asset leasing assets	RMB	0.4m
Staff costs	RMB	2.9m
Administration and corporate costs	RMB	2.5m
Total operating payments	RMB	18.4m

There were no significant changes during the quarter on each cost.

Financial Update (Cont'd)

Repayment of Convertible Bonds (item 3.2)

2,943,585 CBs with a principal value of RMB 3.0million matured on 31 January 2023. FTC repaid RMB 0.3 million for principal and RMB 0.2 million for interest fee during the quarter. The interest rate is 8%p.a..

Repayment of borrowings (Item 3.6)

During Q4, FTC repaid RMB 2.2m in loan principal to Industrial and Commercial Bank of China. The finance facility has been paid out in full.

Government grants and tax incentives (Item 1.7)

The Shenzhen Nanshan District Science and Technology Innovation Bureau granted FTC RMB 420,000 in support of a high-tech information technology company on innovation development.

Payments to related parties of the entity and their associates

During the quarter, President Mr. Xiong Qiang was paid RMB 155,431 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

With the further development of digital transformation in China, T-Linx™ comprehensively serving more diversified payment scenarios will continue. FTC believes that T-Linx™ system, providing seamless inter-connectivity and intelligent digital processing, will continue to attract industry demand in and meet the need of both the banking and enterprise sector.

Business Activities in Q4

During Q4, FTC continued to service existing banks and merchants. There were no material changes to FTC's ongoing business activities, which is described in the section "About FTC" which forms part of this announcement.

Winning Project Tenders

1. Selected as provider for equipment procurement of integrated payment platform of Huangshi Rural Commercial Bank in Hubei Province, China.
2. Selected as provider for procurement project of QR code scanning cloud broadcaster (cloud speaker) of Zhijiang Rural Commercial Bank, Hubei Province, China.
3. Winning the tender of bank card business marketing project of Baotou Rural Commercial Bank Co., Ltd., Inner Mongolia, China.

Business Outlook

Pass the COVID epidemic prevention and control measures in China have continued opened, with general life and travel are resuming gradually. In addition, increasing number of various marketing projects is expected to boost the mass consumption as a whole. Under such gradual improvement, T-Linx system, as an infrastructure of payment processing for cooperating banks, is expected to gain positive influences in terms of increase in transaction volume and number of implementation/adoption.

The two-wheel-driven development strategy of FTC (i.e. bank-level and enterprise-level T-Linx middleware) will continue to play an important role in strengthening the digital interconnection bridge between banks and their enterprise clients. FTC will keep on to innovate and provide more value-added solutions, such as "Enterprise Funds Link", in order to expanding both bank and enterprise client base.

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 March 2023

Consolidated statement of cash flows	Current quarter RMB	Year to date (12 months) RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	11,141,099	88,035,611
1.2 Payments for		
(a) research and development	(2,385,271)	(9,444,327)
(b) product manufacturing and operating costs	(10,232,170)	(50,574,395)
(c) advertising and marketing	-	-
(d) leased assets	(434,100)	(1,792,378)
(e) staff costs	(2,936,692)	(12,401,213)
(f) administration and corporate costs	(2,355,858)	(7,276,865)
1.3 Dividends received (see note 3)		-
1.4 Interest received	7,199	26,537
1.5 Interest and other costs of finance paid	(16,882)	(161,129)
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	420,000	1,140,489
1.8 Other (provide details if material)	(316,900)	(949,128)
1.9 Net cash from / (used in) operating activities	(7,109,575)	6,603,202
2. Cash flows from investing activities	-	-
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	-	(48,800)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter RMB	Year to date (12 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	-	(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	(542,367)	(542,367)
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	(2,200,000)	(6,100,000)
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	(2,742,367)	(542,367)

Consolidated statement of cash flows		Current quarter RMB	Year to date (12 months) RMB
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,461,309	9,008,617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,109,575)	6,603,202
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(48,800)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,742,367)	(542,367)
4.5	Effect of movement in exchange rates on cash held	(960)	5,417
4.6	Misappropriated funds		(13,417,662)
4.7	Cash and cash equivalents at end of period	1,608,406	1,608,406

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	1,608,406	11,461,309
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)	1,608,406	11,461,309

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	155,431
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 <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>	Total facility amount at quarter end RMB	Amount drawn at quarter end RMB
7.1 Loan facilities	8,000,000	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	8,000,000	-
7.5 Unused financing facilities available at quarter end		8,000,000
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 and Q2, FTC drew down an unsecured loan of RMB 3.9m from WeBank and RMB 2.2m from Industrial and Commercial Bank of China for working capital purposes. FTC fully repaid during the financial year.</p>		

8. Estimated cash available for future operating activities	RMB
8.1 Net cash from / (used in) operating activities (item 1.9)	(7,109,575)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,608,406
8.3 Unused finance facilities available at quarter end (item 7.5)	8,000,000
8.4 Total available funding (item 8.2 + item 8.3)	9,608,406
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.35
<p><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></p>	
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?	
<p>Answer: No. Due to the impact of the global economic recession, the collection of trade receivables was delayed. The Company's cash receipt cycle is expected to revert to agreed customer credit terms in the next two quarters.</p>	
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?	
<p>Answer: No. FTC continues to have the financial support of its major shareholders, Mr. Xiong Qiang and Mr. Chow Ki Shui Louie, who will provide additional funding if required. FTC also has undrawn credit lines. Refer 7.5 above</p>	
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?	
<p>Answer: Yes. The Company encourages bank customers settle amount due to the Company in accordance with agreed credit terms.</p>	
<p><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></p>	

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: 28th April 2023


Authorised by: RYAN, Christopher John
(Independent Chairman)

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.