
QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

QUARTER ENDED 30 JUNE 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 30 June 2023 (Q1).

Financial Update

Q1 Cashflow

As at 30 June 2023, FTC held positive cash balances of RMB 6.2m compared to the beginning of quarter of RMB 1.6m. FTC recorded RMB 3.1m in net cash inflows from operating activities during the quarter including receipts from customers of approximately RMB 16.5m. FTC by way of unsecured loans of RMB 22.0m in total to repaid RMB 4.1m in loans and HK\$15.0m (about RMB 13.7m) in convertible bonds during the quarter.

During Q1, there were no material developments or changes in FTC’s business activities.

Expenditure incurred during Q1 included:

Research and development	RMB	2.2m
Product manufacturing and operating costs	RMB	8.8m
Asset leasing assets	RMB	0.4m
Staff costs	RMB	2.9m
Administration and corporate costs	RMB	1.1m
Total operating payments	RMB	15.4m

Administration and corporate costs decreased to RMB 1.1m.

There were no significant changes during the quarter in costs.

Financial Update (Cont'd)

Repayment of Convertible Bonds (Item 3.2)

12,755,000 CBs with a principal value of HK\$15.0million matured on 28 April 2023. FTC fully repaid HK\$15.0 million in principal and interest during the quarter.

Proceeds from borrowings (Item 3.5)

During Q1, FTC via unsecured loans of RMB 10.9m from three banks and borrowings of RMB 11.1m loan from Ms. Ling Fang, a related party (wife of President Xiong Qiang) for working capital, repayment of loans and existing convertible bonds. Please refer to item 7.6 for further details.

Repayment of borrowings (Item 3.6)

During Q1, FTC repaid RMB 3.0m in loan principal to Industrial and Commercial Bank of China. The finance facility has been paid out in full. Also, FTC repaid RMB 1.1m to Ms. Ling. The outstanding balance to Ms. Ling was RMB10.0m as at 30 June 2023. Please refer to FTC's ASX announcement on 12 June 2023.

Payments to related parties of the entity and their associates

During the quarter, President Mr. Xiong Qiang and director Ms. Gao Qiuju were paid RMB142,984 and RMB73,301 as ordinary remuneration for their role as CEO and General Manager of Science and Innovation Center of FTC's wholly owned subsidiary, Shenzhen Taotaogu information Technology Co., Ltd. ("TTG") respectively.

As stated above, FTC borrowed RMB 11.1m from Ms. Ling and repaid RMB 1.1m principal and RMB 0.4m interest and guarantee fee to Ms. Ling.

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 Q1

During Q1, FTC continued to provide middleware services to bank and merchant partners. There were no material changes in FTC's ongoing business activities, as described in section "About FTC" which forms part of this announcement.

FTC's business developments during Q1 included:

1. Inner Mongolia Rural Commercial Bank's payment and receipt industry shortlisting with the goal of fully launching the Inner Mongolia regional market
2. Starting to enter the markets in Ningxia and Qinghai regions,
3. Winning the bid for payment and receipt related projects of Shandong Jinan Rural Commercial Bank and Shandong Weifang Rural Commercial Bank
4. Advancing the strategic cooperation and project implementation of Shanxi Jinshang Bank in 2023
5. Implementation and Implementation of Payment and Acquiring Solutions for Xinjiang Rural Credit Hotel Industry

Business Outlook

In 2023, China's economy post the COVID epidemic continues to improve. Looking forward, FTC believes it has the ability to continue to develop and innovate payment ecological products on the basis of mandating cooperative banks, to secure business expansion in new regions. FTC is achieving market share growth, enhancing user payment experience, improving omni-channel payment service products, integrating RPA (automated process processed by intelligent robots) into all aspects of bank payment and acquiring systems, and helping banks realise through evaluation, management and merchant value contribution.

FTC will continue to innovate in calendar 2023 by consolidating its bank acquiring platform and services, connecting the payment scene ecology and business circle, and realising the index and visualisation of the value contribution to the banking service system.

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")

30 June 2023

Consolidated statement of cash flows	Current quarter RMB	Year to date (3 months) RMB
1. Cash flows from operating activities		
1.1 Receipts from customers	16,548,137	16,548,137
1.2 Payments for		
(a) research and development	(2,173,181)	(2,173,181)
(b) product manufacturing and operating costs	(8,797,410)	(8,797,410)
(c) advertising and marketing	-	-
(d) leased assets	(441,768)	(441,768)
(e) staff costs	(2,851,803)	(2,851,803)
(f) administration and corporate costs	(1,123,817)	(1,123,817)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3,797	3,797
1.5 Interest and other costs of finance paid	(228,342)	(228,342)
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	360,000	360,000
1.8 Other (provide details if material)	1,756,387	1,756,387
1.9 Net cash from / (used in) operating activities	3,052,000	3,052,000
2. Cash flows from investing activities	-	-
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

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

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	(13,654,613)	(13,654,613)
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	21,960,000	21,960,000
3.6 Repayment of borrowings	(6,800,000)	(6,800,000)
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	1,505,387	1,505,387

Consolidated statement of cash flows		Current quarter RMB	Year to date (3 months) RMB
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,608,406	1,608,406
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,052,000	3,052,000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,505,387	1,505,387
4.5	Effect of movement in exchange rates on cash held	(73,307)	(73,307)
4.6	Misappropriated funds		
4.7	Cash and cash equivalents at end of period	6,185,216	6,185,216

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	6,185,216	1,608,406
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)	6,185,216	1,608,406

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	216,285
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

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	13,000,000	7,860,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	11,100,000	10,000,000
7.4	Total financing facilities	24,100,000	17,860,000
7.5	Unused financing facilities available at quarter end		6,240,000
7.6	<p>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> <ol style="list-style-type: none"> During the quarter, FTC drew down an unsecured loan of RMB 3.0m from Industrial and Commercial Bank of China for working capital purposes. The interest rate is 4.25%p.a.. FTC repaid the loan fully. During the quarter, FTC drew down an unsecured loan of RMB 2.86m from WeBank for working capital purposes. The interest rate and guarantee fee are 4.86%p.a. and 2.0%p.a. respectively. The maturity date is 14 May 2025. FTC can repay the loan anytime before the maturity date. During the quarter, FTC drew down an unsecured loan of RMB 5.0m from Shenzhen Rural Commercial Bank for working capital purposes. The interest rate and guarantee fee are 3.8%p.a. and 2.0%p.a. respectively. The maturity date is 13 June 2028. FTC can repay the loan anytime before the maturity date. During the quarter, FTC borrowed RMB11.1m from Ms. Ling Fang, wife of President Xiong Qiang. The Company repaid RMB1.1m to her during the quarter and the remaining RMB10.0m outstanding balance as at 30 June 2023. The interest rate and guarantee fee are 6.0%p.a. and 2.0%p.a. respectively. The maturity date is 8 April 2028. FTC can repay the loan anytime before the maturity date. 		

8.	Estimated cash available for future operating activities	RMB
8.1	Net cash from / (used in) operating activities (item 1.9)	3,052,000
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,185,216
8.3	Unused finance facilities available at quarter end (item 7.5)	6,240,000
8.4	Total available funding (item 8.2 + item 8.3)	12,425,216
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

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.

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 July 2023

Authorised by: 
(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.