
QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

QUARTER ENDED 31 MARCH 2024

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 2024, FTC held positive cash balances of RMB 2.8m compared to the beginning of Q4’s RMB 18.2m. FTC recorded RMB 9.9m in receipts from customers in this quarter and holds approximately RMB 12.5m in trade receivables as at 31 March 2024.

FTC collected RMB26.6m from customers in Q3 (traditionally the highest collection quarter) and used these funds in Q4 to reduce borrowings by RMB 7.4m and boost product manufacturing by RMB 4m.

FTC recorded net cash outflows from operating activities during the quarter of RMB 8.0m. Expenditure incurred during Q4 included:

Research and development	RMB	2.3m
Product manufacturing and operating costs	RMB	11.7m
Asset leasing assets	RMB	0.3m
Staff costs	RMB	2.5m
Administration and corporate costs	RMB	0.9m
Total operating payments	RMB	17.7m

Product manufacturing and operating costs increased compared to last quarter is due to forecast increased manufacturing activity during the quarter, fulfilling prior customer orders.

During Q4, there were no material developments or changes in FTC’s business activities. There were no significant changes during the quarter on rest of the costs.

Financial Update (Cont'd)

Repayment of borrowings (Item 3.6)

During Q4, FTC repaid RMB525,000 and RMB6.9m in loan principal to Shenzhen Rural Commercial Bank and Ms. Ling Fang respectively given surplus working capital which emerged in Q3. The Board resolved in Q4 to repay these loans knowing they are subject to redraw facilities. In the Board's view saving interest and guarantee fees in the interim is prudent.

Payments to related parties of the entity and their associates

During the quarter, President Mr. Xiong Qiang and director Ms. Gao Qiuju were paid RMB172,154 and RMB78,029 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.

Also, FTC repaid RMB 57,542 loan interest and guarantee fee to Ms. Ling during this quarter.

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 sectors.

Contract wins

1. Winning Bid - Bank of China Jiangxi Branch's Smart Canteen Project
2. Shortlisted as a supplier to Qishang Bank's Jucai Equipment Project.
3. Winning Bid - The Xinjiang Rural Credit Cloud Payment System project.



Business Outlook

China's economy post COVID 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, in all aspects of bank payment and acquiring systems, and helping banks realise benefits through evaluation, management and merchant value contribution.

FTC will continue to innovate in 2024 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")

31 March 2024

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	9,855,389	67,511,467
1.2 Payments for		-
(a) research and development	(2,303,723)	(8,584,405)
(b) product manufacturing and operating costs	(11,680,441)	(37,837,003)
(c) advertising and marketing	-	-
(d) leased assets	(288,998)	(1,639,804)
(e) staff costs	(2,526,989)	(10,479,510)
(f) administration and corporate costs	(923,712)	(5,044,270)
1.3 Dividends received (see note 3)		-
1.4 Interest received	5,040	25,743
1.5 Interest and other costs of finance paid	(168,434)	(922,797)
1.6 Income taxes (paid) / refund	-	-
1.7 Government grants and tax incentives	68,300	1,166,382
1.8 Other (provide details if material)	-	1,756,387
1.9 Net cash from / (used in) operating activities	(7,963,568)	5,952,190

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

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)
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
3.6 Repayment of borrowings	(7,425,000)	(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	(7,425,000)	1,505,387

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	18,195,692	1,608,406
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,963,568)	5,952,190
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)	(7,425,000)	(4,754,613)
4.5	Effect of movement in exchange rates on cash held	15,805	16,946
4.6	Cash and cash equivalents at end of period	2,822,929	2,822,929

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	2,822,929	18,195,692
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)	2,822,929	18,195,692

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	307,725
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	15,000,000	10,000,000
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	16,236,799	6,736,799
7.4 Total financing facilities	31,236,799	16,736,799
7.5 Unused financing facilities available at quarter end		14,500,000
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.		
<ol style="list-style-type: none"> 1. FTC drew down an unsecured loan of RMB 5.0m from Shenzhen Rural Commercial Bank for working capital purposes in June 2023. FTC repaid remaining RMB 525,000 outstanding balance during this quarter. 2. FTC drew down a secured loan of RMB 10.0m from Bank of Beijing for working capital purposes in November 2023. Interest rate coupon and guarantee fee are 3.9%p.a. and 2.0%p.a. respectively. The maturity date is 15 November 2026. FTC can repay the loan anytime before the maturity date. 3. FTC borrowed RMB11.1m from Ms. Ling Fang, wife of President Xiong Qiang. The Company repaid RMB6.9m to her in this quarter and the remaining RMB1.6m outstanding balance as at 31 March 2024. 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. 4. FTC entered a one-year loan agreement with the independent third party for USD716,000 on 10 January 2024. The interest rate is 6.0%p.a.. 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)	7,963,568
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,822,929
8.3 Unused finance facilities available at quarter end (item 7.5)	14,500,000
8.4 Total available funding (item 8.2 + item 8.3)	17,322,929
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.2
<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: 29th April 2024

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.