



9 March 2016

Ms Belinda Mai  
Adviser, Listings Compliance  
ASX Compliance Pty Limited  
20 Bridge Street  
Sydney  
NSW 2000

Dear Ms Mai,

**TTG Fintech Limited: ASX Appendix 4C Query**

We refer to your letter dated 7 March 2016 concerning TTG Fintech Limited's ("TTG") ongoing cash position.

In response I confirm that TTG has completed the research & development phase behind its main Financial Electronic Authentication ("FEA") technology platform and as a result has entered into the planned commercialisation phase.

This was disclosed to the market in an announcement made on 8 March 2016 ("ASX Announcement") (copy attached). In that same announcement we disclosed the raising of RMB 6m (A\$1.23m) via unsecured convertible notes, each note carrying a conversion price of A\$0.20 per share.

Specific responses to the four points raised in your letter of 7 March 2016 are:

1. *Does the entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

The cash flow forecasts for the ensuing 12 months disclose a worst case cash deficit of RMB 1.5m per month.

This cash flow forecast assumes no materials cash inflows from the successful exploitation of TTG's FEA technology platform. Given that TTG is negotiating several contracts with major financial institutions in China, Taiwan and Japan this outcome is extremely unlikely.

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?*

In addition to yesterday's fund raising ASX Announcement. TTG is in current negotiations to raise a further RMB 50m under a convertible note raising on the same terms as the raising announced on 8 March 2016.

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In addition TTG has the support in Australia of its corporate adviser, Investorlink Corporate Limited ("ICL"). ICL's related company Investorlink Securities Limited (Lead Manager to TTG's IPO in 2012) has agreed to offer its services should TTG require funds to be raised in Australia.

3. *Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

TTG expects to continue operations in the normal course to meet its business objectives.

This statement is based on TTG's current business pipeline which includes contracts under negotiation with a Taiwan – listed entity for RMB 27m and 7 financial institutions which together would yield a further RMB 50m in cash receipts over an 18 month period.

4. *Can the entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?*

TTG confirms that to the best of its knowledge and belief, it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.

The Directors are conscious of their obligations and that of TTG relating to continuous disclosure and other obligations under the ASX listing rules, in particular, their obligations in keeping the market informed about any activities that may affect the price and value of TTG's CHESS Depository Interests.

The Directors confidently believe that TTG's financial condition warrants the continued quotation of its CHESS Depository Interests and TTG's continued listing on the ASX and, as such, is in compliance with Listing Rule 12.2.

If ASX considers TTG should make further disclosure to the market in this regard, TTG would be happy to do so.

Please let us know if you require any further information.

Yours faithfully,  
TTG Fintech Limited



Gary Kwok  
Company Secretary



7 March 2016

Mr Gary Kwok  
Mr Quincent Leung  
TTG Fintech Limited  
Level 26, 56 Pitt Street  
Sydney NSW

By email: [garykkkwok@hotmail.com](mailto:garykkkwok@hotmail.com); [gleung@investorlink.com.au](mailto:gleung@investorlink.com.au)

Dear Mr Kwok and Mr Leung,

**TTG Fintech Limited (the “Entity”): ASX Appendix 4C Query**

I refer to the Entity’s quarterly report in the form of Appendix 4C for the period ended 31 December 2016 lodged with ASX Market Announcements Platform and released on 29 January 2016 (the “Appendix 4C”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of RMB\$6,396,774; and
- cash at the end of the quarter of RMB\$4,872,181.

It is possible to conclude on the basis of the information provided in the Appendix 4C that if the Entity were to continue to expend cash at the rate for the quarter indicated by the Appendix 4C, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions:

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
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?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?



Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

### **When and where to send your response**

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 9:30AM AEDT on Thursday, 10 March 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [belinda.mai@asx.com.au](mailto:belinda.mai@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;



- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Belinda Mai', with a long horizontal flourish extending to the right.

**Belinda Mai**

**Adviser, Listings Compliance**