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## *QUARTERLY ACTIVITIES REPORT & APPENDIX 4C*

### *QUARTER ENDED 31 DECEMBER 2021*

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Fintech Chain Limited (ASX: FTC), or the “Company”, the exclusive provider of **T-Linx™ SaaS platform** (Software as a Service), is pleased to publish its Quarterly Activities Report and Appendix 4C for the quarter ended 31 December 2021 (Q3).

#### **Financial Update**

As at 31 December 2021, FTC held positive cash balances of approximately RMB 19.3m compared with the previous quarter of approximately RMB 5.0m. During Q3, FTC received RMB 34.9m cash inflows.

During Q3, other than FTC’s participation in the smart stadium construction project for the 2022 Beijing Winter Olympics, there were no material developments or material changes to FTC’s business activities. FTC’s ongoing business activities are described in the section “About FTC” which forms part of this announcement. FTC from usual activities received RMB 34.9m in cash. Expenditure incurred during Q3 was:

Research and development	RMB 1.96m
Product manufacturing and operating costs	RMB 11.11m
Leased assets	RMB 0.45m
Staff costs	RMB 3.05m
Administration and corporate costs	RMB 2.96m
Total operating payments	RMB 19.53m

There were no abnormal expenses incurred during this quarter. The staff costs is increased approximately RMB 0.32m compared to last quarter is mainly due to half of year-ended bonus paid to good performance staffs. The product manufacturing and operating costs is increased approximately RMB 3.83m is mainly due to the Costs incurred on purchasing IoT hardware for 2022 Beijing Winter Olympics. The administration and corporate costs is increased approximately RMB 1.34m is mainly due to the payment to external valuation team and auditor team.

#### Receipts from customers (Item 1.1)

FTC's increased receipts from customers resulted from:

- Collection of current quarter's revenue on SaaS cloud service from Shanxi Rural Credit Union of approximately RMB 5.9m
- Collection of SaaS for marketing and promotion increase of approximately RMB 4.0m
- Collection of long dated trade receivables of approximately RMB 1.0m
- Collection of SaaS for hardware IoT increase of approximately RMB 5.0m
- Receipt of an RMB 1.0m deposit for the Beijing Winter Olympics Smart Stadium Construction Project – described further in this announcement

#### **Payments to related parties of the entity and their associates**

President Mr. Xiong Qiang was paid RMB 183,358 during the quarter as ordinary remuneration for his role as CEO of FTC's wholly owned subsidiary, Shenzhen Taotaogu information Technology Co., Ltd. In addition, refer to Others Item 1.8.

#### Other (Item 1.8)

During Q3, FTC made payments for amounts due to associates of RMB 0.5m each to TTG Fintech Services Limited and Ms. Ling Fang. These repayments have also been included in Item 6.1. Immaterial contra credits of RMB 16,283 resulted in an item 1.8 balance of RMB 983,717.

No other payments were made any directors or their associates.

## **Business Activities in Q3**

### **New business**

FTC has secured a contract to provide “Payment +” digital infrastructure construction for 2022 Beijing Winter Olympics’ Ski Resort.

FTC successfully participated in a competitive bidding process for the Smart Stadium Construction Project ( “Olympics Smart Project” ) for the 2022 Beijing Winter Olympics ski resort via its wholly-owned subsidiary, Shenzhen Taotaogu Information Technology Co., Ltd. The contracted sum is RMB 2.3million, with anticipated costs of delivery of RMB 1.7million. This winning bid reinforces the market’s recognition and acceptance of T-Linx™.

With the 2022 Beijing Winter Olympics commencing next week, FTC’s management is placing particular emphasis on this important global event, devoting all available resources to ensure the successful and timely provision of T-Linx™ to provide top flight digital connection for this world class event.

“It is an honour for the management and staff of FTC to have the opportunity to participate in the upcoming 2022 Beijing Winter Olympics. The inclusion of T-Linx™ system in Winter Olympics is a testament to the high standard of market recognition of T-Linx™, its quality, reliability and popularity. The deployment of T-Linx™ system in the Olympics reflects FTC’s continuing success as a result 10 years research and development.” said Chairman Xiong..

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 Timely settlement services Credit card services Loans Wealth management Risk control Bank account holder rights services Customer services
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 <b>T-Linx™ SaaS</b> 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](http://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 2021

Consolidated statement of cash flows	Current quarter RMB	Year to date (9 months) RMB
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	34,872,644	62,090,278
1.2 Payments for		
(a) research and development	(1,961,651)	(5,294,011)
(b) product manufacturing and operating costs	(11,109,745)	(25,789,954)
(c) advertising and marketing	-	-
(d) leased assets	(453,480)	(1,231,193)
(e) staff costs	(3,049,657)	(8,467,329)
(f) administration and corporate costs	(2,957,811)	(6,702,136)
1.3 Dividends received (see note 3)		-
1.4 Interest received	8,036	21,807
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / refund	-	37,561
1.7 Government grants and tax incentives	8,803	353,503
1.8 Other (provide details if material)	(983,717)	374,045
<b>1.9 Net cash from / (used in) operating activities</b>	<b>14,373,422</b>	<b>15,392,571</b>

<b>2. Cash flows from investing activities</b>	-	-
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	-	-
(c) property, plant and equipment	(29,435)	(62,224)
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(29,435)</b>	<b>(62,224)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue/(repayment) of convertible debt securities	-	(2,337,873)
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	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(2,337,873)</b>



Consolidated statement of cash flows		Current quarter RMB	Year to date (9 months) RMB
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,977,643	6,314,360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	14,373,422	15,392,571
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29,435)	(62,224)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2,337,873)
4.5	Effect of movement in exchange rates on cash held	2,535	17,331
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>19,324,165</b>	<b>19,324,165</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	19,324,165	4,977,643
5.2	Call deposits		
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>19,324,165</b>	<b>4,977,643</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter RMB
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,183,358
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>		

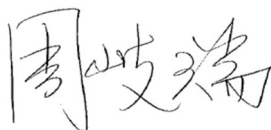
<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end RMB</b>	<b>Amount drawn at quarter end RMB</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		
	NIL		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>RMB</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	14,373,422
8.2	Cash and cash equivalents at quarter end (item 4.6)	19,324,165
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	19,324,165
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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: ..... 31<sup>st</sup> January 2022 .....



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.