



19 February 2020 (ASX: FTC)

### **Coronavirus effect on Business Operations**

FTC wishes to update the market on the effect the Coronavirus outbreak in China is having on the staff and operations of the Company.

We are pleased to advise that FTC's skeleton key staff have returned to our Shenzhen office while all other staff are working remotely online from their homes, providing online technical and operational support to FTC's partners. The staffing situation are basically the same for our partners, predominately banks. As far as the overall operation is concerned, our business is operating as usual.

FTC staff have been set daily and weekly KPIs to meet and are reporting to management as to achieving those KPIs. During the virus containment period, China's overall consumer transaction volume has declined, which will impact the Company's revenue. The effect on cash flow initially will be relatively minor as trade receivables will be collected in the short term. However, if the reduction in revenue is significant (due to decrease in overall consumer transaction volume) for a prolonged period, the effect on cash flow will become evident. A reduction in receivables is expected this month which will result in a cash deficit lag in coming months.

As a result of the outbreak, the emergence of online transaction popularity means FTC's business partners including Banks and merchants who utilize T-Linx™ will require FTC's remedial support to providing our upgraded version (ULPOS 3.0) of E-Commerce system and solutions, to assist their increased online sales volume. The adoption of ULPOS 3.0 should lead to increased online transaction activity for FTC and its partners. FTC's management is hoping this change of shopping behaviour due to the Government restriction on human movement in China can offset some of the negative effect.

Based on our preliminary assessment, FTC has laid down plans to address having sufficient financial resources and support to meet any cash deficit which emerges due to this period of operational restriction.

FTC will provide investor update should there is material change in our staffing and business operation.

This announcement has been authorised for release by the Board

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#### **About FTC:**

#### **T-Linx™ Middle Software Empowers Open Banking**

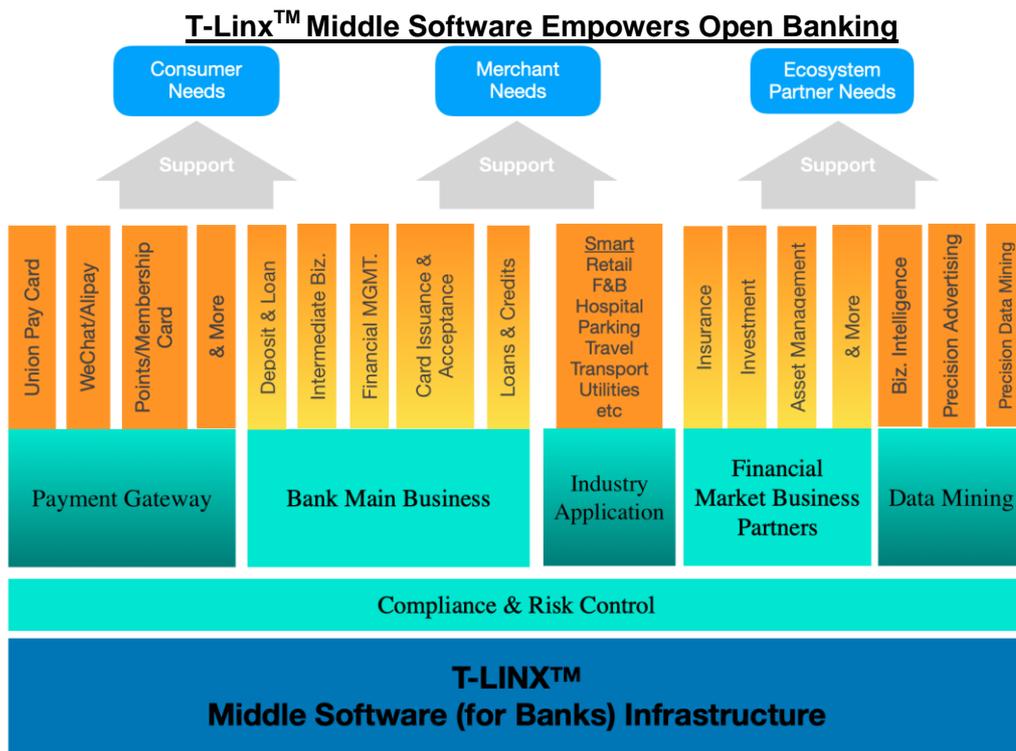
- ▶ FTC owns and supplies a leading Payment Transaction System (**T-Linx™** Middle Software System for Banks) in Greater China.
- ▶ As a result of 8 years research and development, and user acceptance testing, **T-Linx™** has become recognised, approved and used by banks across China.
- ▶ Currently owns more than 150 Invention Patents and Intellectual Property Rights.
- ▶ **T-Linx™** is compliant and implemented in IDC data center of bank's intranet, safely and efficiently serving the needs of banks.
- ▶ Currently, **T-Linx™** has been serving more than 700 banks (such as China Merchants Bank, Ping An Bank and Beijing Rural Credit Cooperative Union) and over 5 million merchants, processing all payments made between merchants and consumers.
- ▶ **T-Linx™** increases bank's revenue from its main business (deposit and loan) & its sales and revenue in Software-as-a-Service (SaaS), and increase sales and revenue for SaaS partners.
- ▶ Since March 2019, FTC charges at least 2 to 3 basis points upon new transactions processed by **T-Linx™**.
- ▶ FTC shares revenue of both banks and SaaS partners.
- ▶ **T-Linx™** is increasing the adoption and accumulation of popular and advantageous services and products, becoming important components of **T-Linx™** capabilities, to serve the evolving needs of merchants and consumers.

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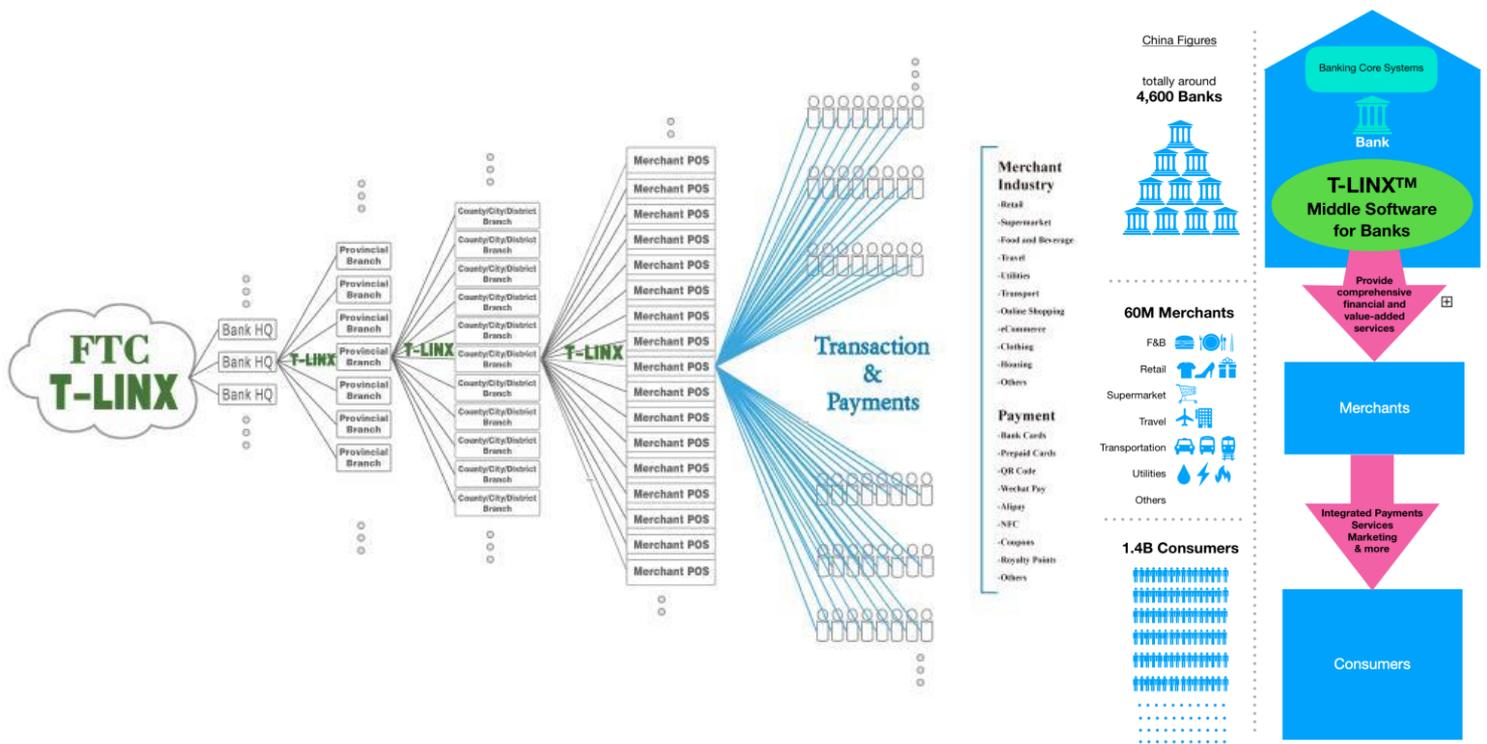
**2019 New Strategies:**



**Revenue model:**

(1) Basic Revenue:

Since March 2019, **FTC** charges at least 2 to 3 basis points on all transactions processed by **T-Linx™**.



(2) Value-added service revenue:

- (i) Financial business and value-added services
- (ii) Industry application integration services
- (iii) Precision advertising
- (iv) Data precision mining services

(3) Blockchain technology services

Service fees derived from providing blockchain technology in creating non-erasable, traceable, irrevocable and public documented distributed ledgers covering all kinds of commercial activities including logistics and circulations of visible goods and digital results in a legal and regulated manner excluding any cryptocurrency trading and any other unlawful cryptocur-

rency related activities. All services fees are received in fiat currencies which are recognised as proper legal tender.

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For further information visit [www.ttg.hk](http://www.ttg.hk) or contact Mr Chris Ryan, independent Chairman or Mr Quincent Leung, Communication Person of FinTech Chain Limited at +61 2 9276 2000.