

ARBN: 158 702 400

29 April 2021

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## *QUARTERLY ACTIVITIES REPORT & APPENDIX 4C*

### *QUARTER ENDED 31 MARCH 2021*

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Fintech Chain Limited (ASX: FTC), or the “Company”, exclusive provider **T-Linx™ SaaS platform** (Software as a Service), is pleased to publish its Quarterly Activities Report and Appendix 4C for the quarter ended 31 March 2021 (Q4).

#### **Financial Update**

##### Q4 Cashflow

FTC recorded RMB 8.7m cash inflows excluding approximately RMB 7.1m in trade receivables as at 31 March 2021, the latter of which FTC received RMB 5.2m so far in April 2021 with the remainder are to be collected before June 2021. During Q4, FTC received government grants of RMB 2.1m. FTC incurred RMB11.3m in cash outflows including abnormal R&D costs for additional specifications incorporated in T-Linx enhancement for platform partners of approximately RMB 3m. As a result, net cash outflows for the quarter of RMB 2.6m would have been positive RMB 400,000 save for R&D expenditure. As at 31 March 2021 FTC held positive cash balances of approximately RMB 6.3m compared with corresponding March 2020 quarter of approximately RMB 3.8m.

##### Government grants and tax incentives (Item 1.7)

Shenzhen Industrial and Information Technology Bureau granted RMB 2.1m (the highest-level grant in this class) to FTC under the “2021 Digital Economy Industry Support Plan”. This plan is aimed at supporting companies which meet the requirements of Shenzhen's strategic emerging industry planning key development areas and special declaration guidelines, as well as meeting the requirements of country and city energy consumption, environmental protection, and safety.

##### Convertible Bonds (CB's)

1,307,750 CBs with a principal value of US\$200,000 matured on 15 November 2020. FTC repaid these CBs in current quarter. Please refer to Item 3.2

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

President Mr. Xiong Qiang was paid RMB133,932 in this quarter as ordinary remuneration for his role as CEO of FTC's wholly owned subsidiary, Shenzhen Taotaogu information Technology Co., Ltd.

No payments to other directors or their associates were made in accordance with Item 6 of the accompanying Appendix 4C.

## Business Update

### Ubiquitous and scalable T-Linx™ SaaS

FTC's own IP **T-Linx™** is a **SaaS platform** serving various payment scenarios under an umbrella of digital transformation. **T-Linx™ SaaS** connects software and hardware, and serves banks, merchants, and consumers, in the form of cloud services in a compliant, safe, credible and user-friendly manner.

#### Integration between digital transformation and payment

*Technology is constantly evolving and is changing lifestyles. As a result, China has entered a major trend of comprehensive digital transformation. People's lives are becoming more digitally dependent. A large portion of people's daily expense such as clothing, food, housing, transportation, leisure, shopping, and entertainment are transacted by digital payment. Therefore, digital payment services are a most important link, in which a number of participants are involved, including banks, merchants, consumers, producers/vendors, and promoters. Based on the current payment service market, digital transformation requires an infrastructure system that is legal, compliant, secure, trustworthy, user-friendly, and capable of seamlessly connecting with systems/software and hardware of all payment ecological participants.*

#### Ubiquitous SaaS service platform

*SaaS payment service platforms are essential in the development of digital transformation of payments. In addition, SaaS payment service platforms must embrace, continuously accept and upgrade new software and hardware, hence completing digital transformation in the form of IoT (Internet of Things), in order to meet the needs of social evolution. FTC in the past ten years has focused on the development of our own IP (Intellectual Property) **T-Linx™ SaaS** system (a payment scenario SaaS service platform) to serve the digital transformation of banks, merchants and industries, allowing participants and users to form a multi-party mutually beneficial platform and raise social values.*

The **T-Linx™ SaaS** platform connects and serves four main types of platform partners (banks, merchants, consumers and other platform partners) creating upselling and cross-selling opportunities within the entire payment ecosystem.

### Four major interconnected services of T-Linx™ SaaS platform

1. **SaaS cloud service**
2. **SaaS for rights/interests/points/marketing/promotion**
3. **SaaS for hardware IoT (Internet of Things)**
4. **SaaS financial service**

## **Business Outlook**

Based on FTC's expanding "bank + merchant" network and increased usage of **T-Linx™ SaaS** platform, FTC is pilot-launching more upselling and cross-selling capabilities to platform partners and customers through the two following new services:

### (1) Buy-Now-Pay-Later (BNPL) service

Focus on innovative fintech services of compliant consumer finance in payment scenarios. Based on the experience of serving banks and financial institutions, FTC acknowledges one of their critical needs is the development of compliant, risk-controllable and friendly financial services. Therefore, FTC's newly created innovative BNPL consumer financial SaaS services, allows banks to promote consumer financial services in various payment scenarios through **T-Linx™ SaaS** by independently performing risk control, full-process lending review, credit lending and repayments. By using this BNPL service, merchants are able to promote customer interest and sales volume but only bearing a small amount of BNPL discount fee. Moreover, consumers, not necessarily a credit card holder, can enjoy BNPL instalment plans with more favourable terms to meet different consumption needs.

The BNPL service achieves the goal of prudent consumption, protects legitimate rights and interests of consumers, and ensures safe development of financial institutions. FTC utilises its technological power to create compliant, safe, and credible services to meet the needs of multiple parties. SaaS service technology revenue is expected to be between 0.5-1%, which is a significant increase compared to the current revenue of 2-3 basis points of gross transaction volume in payment acquiring.

### (2) Partnering with cloud service infrastructure companies to further increase **T-Linx™ SaaS** usage

Partner with various well-known cloud service infrastructure companies to promote the **T-Linx™ SaaS** service platform to more banks, corporates, manufactures, merchants, SME, and personal use. Expand the use of merchant solutions (industry applications), forming a new digital transformation business, "SaaS cloud services + hardware IoT networking".

The above announcement has been authorised by the Board of Director 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 has connected and served four main types of platform partners (**Refer Note 1**) to create upsell and cross-sell value for the entire payment environment.

### 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: integrated payment with multiple payment channels; integrated merchant submission; reconciliation processing; risk control; branch management; unified settlement report; etc.
  - Services for Merchants: integrated payment; integrated payment QR code; payment collection plugin; payment collection APP; payment APIs; etc.
- (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: Food and Beverage; Retail; Carpark; Hospital; Scenic Spot; Property Management; Bill Payments; CRM; etc.

#### 2. **SaaS for rights/interests/points/marketing/promotion (Refer Note 2)**

- A one-stop SaaS of marketing management to increase upsell for both 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 upsell and cross-sell opportunities for various partners.
- Buy-Now-Pay-Later (BNPL) service, etc.

**Note 1**

Platform partners	Benefits
Banks	<p>           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         </p>
Merchants	<p>           Integrated payment services            Real-time bill management            Wealth management            Loans            Membership marketing management            Reconciliation processing            Risk control &amp; compliance         </p>
Consumers	<p>           Receiving accurate information            Selection of multiple payment methods            Access to consumer financial services            Accumulation of points by consumption            Receiving new discounts            Payment by points         </p>
Other partners	<p>           Various software, hardware, products and services required by banks, merchants, and consumers can be promoted, resulting in the benefits of 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 with hardware upgrades and digital upgrades in various merchant solutions (industry applications), each hardware can participate in seamless docking and communication, and hence forming IoT payment scenarios and services.         </p>

## Note 2

The one-stop SaaS of marketing management provides 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 printer Portable POS machine
Retail	Cash Register Barcode/QR code scanner Electronic scale Payment scanner box
Carpark	Barrier gate Car plate recognition camera Entry and exit payment scanner
Hospital	Self-service terminal Portable POS machine
Scenic Spots	Ticket vending machine Ticket checking gate Portable ticket checking machine

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

## 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 2021

Consolidated statement of cash flows		Current quarter RMB	Year to date (12 months) RMB
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	8,720,200	53,078,465
1.2	Payments for		
	(a) research and development	(2,970,767)	(2,975,767)
	(b) product manufacturing and operating costs	(4,027,229)	(21,879,138)
	(c) advertising and marketing	(45,600)	(45,600)
	(d) leased assets	(353,963)	(1,319,757)
	(e) staff costs	(2,947,645)	(14,148,501)
	(f) administration and corporate costs	(2,077,922)	(5,679,953)
1.3	Dividends received (see note 3)	-	--
1.4	Interest received	18,743	21,110
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	(37,561)
1.7	Government grants and tax incentives	2,120,000	2,149,721
1.8	Other (provide details if material)	(1,026,307)	(5,221,641)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,590,490)</b>	<b>3,941,378</b>
<b>2.</b>	<b>Cash flows from investing activities</b>	-	-
2.1	Payments to acquire or for:		
	(a) entities		
	(b) businesses	-	-
	(c) property, plant and equipment	(45,193)	(93,636)
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(45,193)</b>	<b>(93,636)</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	(1,320,000)	(1,320,000)
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>(1,320,000)</b>	<b>(1,320,000)</b>



Consolidated statement of cash flows		Current quarter RMB	Year to date (12 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	10,269,726	3,796,649
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,590,490)	3,941,378
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45,193)	(93,636)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,320,000)	(1,320,000)
4.5	Effect of movement in exchange rates on cash held	317	(1,330,031)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,314,360</b>	<b>6,314,360</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	<b>Current quarter RMB</b>	<b>Previous quarter RMB</b>
5.1	Bank balances	6,314,360	10,269,726
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>6,314,360</b>	<b>10,269,726</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter RMB</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	133,932
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>		

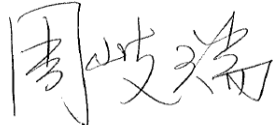
7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end RMB</b>	<b>Amount drawn at quarter 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.		

8.	<b>Estimated cash available for future operating activities</b>	<b>RMB</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	-2,590,490
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,314,360
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	6,314,360
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>2.44</b>
<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: ....29 April 2021.....



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.