



Fintech Chain Limited

ARBN 158 702 400

ASX PRELIMINARY FINAL REPORT 31 March 2019

Lodged with the ASX under Listing Rule 4.3A

This preliminary final report covers the consolidated entity consisting of Fintech Chain Limited and its controlled entities. The financial statements are presented in Renminbi (RMB), the official currency of the People's Republic of China, unless otherwise stated.

The report is based on accounts which are in the process of being audited.

Contents

	Pages
Results for announcement to the market	2
Unaudited preliminary consolidated statement of profit or loss and other comprehensive income	6
Unaudited preliminary consolidated statement of financial position	7
Unaudited preliminary consolidated statement of changes in equity	8
Unaudited preliminary consolidated statement of cash flows	9
Selected notes to the unaudited preliminary consolidated financial statements	10

FINTECH CHAIN LIMITED AND ITS CONTROLLED ENTITIES
YEAR ENDED 31 MARCH 2019

Details of the reporting period and the previous corresponding period

Reporting period: Year ended 31 March 2019

Prior corresponding period: Year ended 31 March 2018

Results for announcement to the market

Key information

	Year ended 31 March 2019 RMB'000	Year ended 31 March 2018 RMB'000	% change
Revenue	44,186	10,030	341%
Profit (loss) from ordinary activities after income tax expense attributable to members	3,632	(23,184)	116%
Net profit (loss) attributable to members	3,758	(22,832)	116%

Commentary

Revenue increased by RMB34.2 million, or 341% to RMB44.2 million. This increase included the successful implementation of FTC's blockchain technology, which provided RMB15.4 million income during the year and revenue of T-linx™ related products and services in sum of RMB28.8 million. Gross profit increased to RMB29.0 million from a gross loss of RMB2.0 million in 2018.

Other income and net gain reduced from RMB2.2 million to RMB0.5 million mainly due to gain on early redemption of convertible bonds, over-provision of other payables and write-off advance from a customer in last year.

Increased selling expenses and general and administrative expenses were incurred to support expanding business especially in the development of the Company's T-Linx™ technology platform.

Immaterial losses incurred by associates are anticipated to continue during the development phases of the two associates.

The gain on change of fair value of embedded derivatives of convertible bonds and increase in finance costs are due to the issue of the convertible bonds which are non-cash items as a result of our issuance of convertible bonds.

The Company generated a profit of RMB0.0058 per share, compared to a loss of RMB0.0356 per share in the previous financial year.

Commentary on the operations and results

About FTC

FTC is a leading Fintech provider of Integrated Payment Acquiring infrastructure for banks and Industry Application Solutions (collectively named **T-Linx™** System) in Greater China. Over 8 years of delicate development, rigorous testing and validation by banks, T-Linx™ has been recognized, approved and used by many banks and used for many years. T-Linx™ has been provided to more than 400 banks (such as China Merchants Bank, Ping An Bank and Beijing Rural Credit Cooperative Union) and indirectly serving over 4 million merchants.

FTC currently owns more than 100 Invention Patents and Intellectual Property Rights. Since March 2019, FTC charges at least 2 basis points upon new transactions processed by T-Linx™. FTC is dedicated to grow the overall banking market shares in Greater China and overseas, and consolidate the leading position in future Banking market.

Income model

(1) Provision of services

- (i) Information technology services from T-linx™ integrated payment business is recognised as a percentage (currently at a rate of 2 basis points) of the total transaction payment volume processed by T-Linx™ system within T-Linx™ supported financial institutions and Merchants network.
- (ii) System development services
 - T-linx™ integrated payment business including system development for banks.
 - blockchain technology services including token management system development, token wallet system development, development of fast payment system and processing of blockchain credit and digital token.
- (iii) Provision of services arising from point-of-sale machines from T-linx™ integrated payment business including rent and maintenance of point-of-sale machines to the customers of Company's client.

(2) Sale of point-of-sale machines

Commentary on the operations and results (Cont'd)

FTC's business channel

(1) T-Linx™ integrated payment business

The traditional T-Linx™ brings FTC: (i) transaction fees; (ii) system development fees; (iii) system maintenance fees; and (iv) proceeds from sales of POS machine.

By now, our FTC's T-Linx™ empowers banks to transform all banking services into an Open Banking marketplace, while strictly adhering to all requisite regulatory compliance, and ensuring its reliability, accuracy and ease of use at all time. It brings advantages for banks to (i) Increase low-cost savings basis; (ii) Increase intermediary service income; (iii) Tremendously reduce operation cost; and (iv) Gradually migrate all banking business to Open Banking marketplace

T-Linx™ effectively extends banking system power from banks to merchants/ SMEs/ core enterprises and customers, and hence establishing a valuable Bank-Merchant-Consumer network.

Business-to-Customer (B2C) embraces all daily consumption payments made by various means: cards, card instalments, QR codes (WeChat Pay, Alipay, Union Pay), NFC (Union Pay, ApplePay, etc.), various bank APPs, face recognition, voice recognition, photonics payment, fingerprint payment, coupons, loyalty points, etc.

Business-to-Business (B2B) embraces all business payments, financial services and value-added services, among business entities (merchants/SMEs/core enterprises) and along supply chain up-stream and down-stream, in various business/industry fields.

(2) Blockchain technology services

FTC is well experienced in the development of financial technology and research and development surrounding financial blockchain technology and begun commercialization of its blockchain service in early 2016. FTC is ranked in China's top 10 operators in terms of blockchain technology in term of invention patent number holdings.

(3) System development and technology support services

As an integrated payment solutions provider, FTC commits the ongoing system development and standby support to its banking clients.

FTC employs leading financial technology and blockchain technology, and is committed to the following goals:

1. Establishing a compliant, efficient and secure switching network to support and facilitate the circulation of various currencies and assets. This switching network integrates a variety of payment methods, including various types of cards (debit cards, credit cards, and prepaid cards), QR code accounts, various digital tokens, and supports the compliant swap of fiat currencies and various digital tokens.

2. FTC's T-Linx™ system serving transaction acquisition and fund settlements between banks and merchants, it effectively promoted the future Token Cashification theory. In strict compliance with the financial regulations in China, it supports those digital token issuers and its digital token wallets business as such the highly regulated market has resulted in various digital tokens being circulated and used compliantly and legally as fiat currencies, which in turn brings added revenues to FTC.

Commentary on the operations and results (Cont'd)

Financial results

The Company incurred a profit of RMB0.0058 per share, compared to the loss of RMB0.0356 per share in the last financial year. The increase in profit per share is mainly due to the expansion of business in the blockchain technology together with the T-linx™ payment system rollout.

The Company did not propose any dividend distribution or buy back during the year.

Outlook

FTC is on track to further expand T-Linx™ related products and services and blockchain technology, both of which are expected to grow and penetrate the market quickly and effectively, leading to an increase in revenue, gross profit and margin.

The adoption of T-Linx™ by both China merchant Bank and Rural Credit Bank's customers after the recent successful rollout programme makes FTC's T-Linx™ coverage in more industries and provinces in China. This represents our increased in aggregate transaction volume through the Bank-Merchant network in the provincial, and city/country level. This was demonstrated by the 2 weeks T-linx™ roll out with Hunan Xingsha Rural Credit Bank that reported a daily transaction of RMB 10 million per day, being 10% growth in 2-week times.

FTC believe this traction is the start of continuous growth of FTC revenue for the remaining of the year 2019 and it will gain further traction to roll out the remaining 120 Rural Credit Banks in Hunan province.

FTC's management is confident that T-Linx™ products and blockchain technology will enjoy increased recognition and acceptance in the market. We aim to become largest Fintech provider of Integrated Payment Acquiring infrastructure for banks and Industry Application Solutions in Greater China in the medium to long term.

In addition, based on FTC's experience to date the demand for the Company's blockchain technical services varies in line with the value of blockchain tokens. Token values fluctuated greatly in this year given the sector's relative immaturity. However, FTC expects market acceptance combined with future widespread use will underpin the demand for FTC's technical services in this sector.

**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 RMB	2018 RMB
Revenue	2	44,185,839	10,029,507
Cost of sales and services rendered		(15,203,310)	(12,075,314)
Gross profit (loss)		28,982,529	(2,045,807)
Other income and gain, net	5	451,331	2,228,057
Selling expenses		(5,759,493)	(4,160,303)
General and administrative expenses		(21,056,662)	(17,432,064)
Unrealised gain on change of fair value of embedded derivatives of convertible bonds		4,260,882	2,126,242
Share of losses of associates		(427,015)	(1,309,645)
Finance costs		(2,820,032)	(2,590,476)
Profit (loss) before tax		3,631,540	(23,183,996)
Income tax		-	-
Profit (loss) for the year		3,631,540	(23,183,996)
Other comprehensive income for the year, net of nil tax		-	-
Total comprehensive income (expense) for the year		3,631,540	(23,183,996)
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		3,757,806	(22,831,558)
Non-controlling interests		(126,266)	(352,438)
		3,631,540	(23,183,996)
Earnings (loss) per share (RMB)			
Basic		0.0058	(0.0356)
Diluted		0.0058	(0.0356)

**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2019**

	Notes	2019 RMB	2018 RMB
NON-CURRENT ASSETS			
Property, plant and equipment		3,412,123	5,902,185
Intangible assets		318,131	608,077
Investment in associates	6	-	427,015
Prepayment, deposits and other receivables		1,396,128	896,128
		5,126,382	7,833,405
CURRENT ASSETS			
Inventories		119,897	31,827
Trade and other receivables		12,014,063	6,595,547
Bank balances and cash		2,289,152	1,598,644
		14,423,112	8,226,018
CURRENT LIABILITIES			
Trade and other payables		8,208,636	17,449,576
Contract liabilities		1,805,194	-
Other borrowing		2,071,228	-
Convertible bonds		5,402,852	487,233
Deferred government grants		120,000	120,000
		17,607,910	18,056,809
NET CURRENT LIABILITIES		(3,184,798)	(9,830,791)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,941,584	(1,997,386)
NON-CURRENT LIABILITIES			
Convertible bonds		19,544,460	27,917,417
Other liabilities		159,253	344,509
		19,703,713	28,261,926
NET LIABILITIES		(17,762,129)	(30,259,312)
CAPITAL AND RESERVES			
Share capital	8	87,189,117	78,734,856
Reserves		(103,856,416)	(108,025,604)
Equity attributable to owners of the Company		(16,667,299)	(29,290,748)
Non-controlling interests		(1,094,830)	(968,564)
TOTAL DEFICIT		(17,762,129)	(30,259,312)

**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Attributable to owners of the Company				Sub-total RMB	Non- controlling interests RMB	Total deficiencies RMB
	Share capital RMB	Share option reserve RMB	Convertible bonds equity reserve RMB	Accumulated losses RMB			
At 1 April 2017	72,743,496	2,985,659	-	(89,576,663)	(13,847,508)	(616,126)	(14,463,634)
Loss for the year	-	-	-	(22,831,558)	(22,831,558)	(352,438)	(23,183,996)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss	-	-	-	(22,831,558)	(22,831,558)	(352,438)	(23,183,996)
Conversion of convertible bonds to ordinary shares	5,991,360	-	-	-	5,991,360	-	5,991,360
Equity-settled share-based transaction	-	1,274,703	-	-	1,274,703	-	1,274,703
Issuance of share options	-	122,255	-	-	122,255	-	122,255
	5,991,360	1,396,958	-	-	7,388,318	-	7,388,318
At 31 March 2018	78,734,856	4,382,617	-	(112,408,221)	(29,290,748)	(968,564)	(30,259,312)
Adjustments (See Note 3)	-	-	(86,273)	(156,263)	(242,536)	-	(242,536)
At 1 April 2018 (restated)	78,734,856	4,382,617	(86,273)	(112,564,484)	(29,533,284)	(968,564)	(30,501,848)
Profit (loss) and total comprehensive income (expense) for the year	-	-	-	3,757,806	3,757,806	(126,266)	3,631,540
Conversion of convertible bonds to ordinary shares	8,454,261	-	-	-	8,454,261	-	8,454,261
Equity-settled share-based transaction	-	653,918	-	-	653,918	-	653,918
	8,454,261	653,918	-	-	9,108,179	-	9,108,179
At 31 March 2019	87,189,117	5,036,535	(86,273)	(108,806,678)	(16,667,299)	(1,094,830)	(17,762,129)

**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 RMB	2018 RMB
NET CASH USED IN OPERATING ACTIVITIES	(7,484,747)	(16,175,849)
NET CASH USED IN INVESTING ACTIVITIES	(2,309,688)	(4,272,396)
NET CASH FROM FINANCING ACTIVITIES	10,484,943	19,520,973
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	690,508	(927,272)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,598,644	2,534,290
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	-	(8,374)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	2,289,152	1,598,644

NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes represent those of Fintech Chain Limited (the “Company”) and its subsidiaries (the “Group”).

Basis of preparation

The financial information included in this document for the financial year ended 31 March 2019 is in the process of being audit. The financial information does not constitute the Group full financial statements for the year ended 31 March 2019, which will be approved by the Board, reported on by the auditor and filed with the Australian Securities Exchange.

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (“IASB”). As Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), are derived from and consistent with IFRSs, the consolidated financial statements also comply with HKFRSs. The consolidated financial statements also comply with the requirements of the Hong Kong Companies Ordinance.

The unaudited financial information set out on page 11 to 16 for the year ended 31 March 2019 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 31 March 2018 financial statements contained within the Annual Report of the Group.

As required, and unless otherwise stated, comparative statutory financial information for the Group has been presented for the 2018 financial year.

All amounts are express in RMB unless otherwise stated. The Group’s presentation currency is RMB. The functional currency of the majority of its operation is RMB.

**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. REVENUE

Disaggregation of revenue from contracts with customers

For the year ended 31 March 2019

	Total RMB
Types of goods and services	
Provision of system development services	15,288,664
Provision of information technology services	23,503,884
Provision of point-of-sale machines services	2,146,225
Sale of point-of-sale machines	3,247,066
Total	44,185,839
Timing of revenue recognition	
A point of time	44,185,839
Geographical markets	
Mainland China	22,617,264
Hong Kong	21,568,575
Total	44,185,839

For the year ended 31 March 2018

	RMB
Provision of system development services	3,845,681
Provision of information technology services	3,392,387
Sale of point-of-sale machines	754,128
Provision of point-of-sale machines services	2,037,311
	10,029,507

3. SEGMENT INFORMATION

The Group manages its business by divisions which are organized from the services perspective.

Information reported to the board of directors, being the chief operating decision maker, for the purpose of resources allocation and performance assessment, the Group's operating activities are attributable to a single operating segment as the revenue are derived entirely from provision of system development services, information technology services, sale of point-of-sale machines and services arising from point-of-sale machines. In addition, the principal assets employed by the Group are located in the PRC. Accordingly, no segment analysis and geographical information is presented other than entity-wide disclosures.

**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. SEGMENT INFORMATION - Continued

Information about major customers

An analysis of revenue from customers contributing 10% or more of the Group's total revenue is as follows:

	2019	2018
	RMB	RMB
Customer A	7,821,990	N/A ¹
Customer B	6,488,949	3,834,966
Customer C	N/A¹	1,319,730
Customer D	N/A¹	1,194,040
Customer E	N/A¹	1,074,401
Customer F	7,466,674	N/A ¹
Customer G	7,384,497	N/A ¹

¹ The corresponding revenue did not continuing over 10% of the total revenue of the Group.

4. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 March 2019 (2018: Nil).

5. OTHER INCOME AND GAINS, NET

	2019	2018
	RMB	RMB
Interest income on bank deposits	5,318	6,770
Net exchange gain	87	1,488,147
Sundry income	158,056	177,937
Government grants	287,870	242,573
Gain on early redemption of convertible bonds	-	67,843
Over-provision of other payables	-	133,540
Write-off advance from a customer	-	111,247
	451,331	2,228,057

6. INVESTMENT IN ASSOCIATES

	2019	2018
	RMB	RMB
Cost of investments	5,478,419	5,478,419
Share of post-acquisition losses and other comprehensive expense	(5,478,419)	(5,051,404)
Share of net assets	-	427,015

**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. INVESTMENT IN ASSOCIATES - Continued

The particulars of the principal associate of the Group, which is unlisted corporate entity, is as follows:

Name of associate	Place of incorporation and type of legal entity	Principal activities and place of operation	Registered capital RMB	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group	
				2019	2018	2019	2018
Shenzhen Intelligent Preferential Pay Company Limited* ("IPP") (深圳市智慧付信息技術有限公司)	PRC, limited liability company	Provision of e-commerce, information technology consultancy services, electronic promotion services and electronic messaging information services	2,000,000	37.5%	37.5%	37.5%	37.5%

* English name for identification purpose only

Summarised financial information of material associate

Summarised financial information of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs and HKFRSs.

IPP	2019 RMB	2018 RMB
Non-current assets	4,447,658	5,494,830
Current assets	1,449,916	276,154
Current liabilities	(9,139,396)	(4,899,154)
Equity	(3, 241,822)	871,830
Revenue	3,001,104	2,036,331
Loss for the year	(4,113,652)	(3,480,178)
Other comprehensive income	-	-
Total comprehensive loss	(4,113,652)	(3,480,178)
Dividends received from the associate during the year	-	-

Reconciled of the above summarized financial information to the carrying amount of the interest in an associates recognised in the consolidated financial statements:

	2019 RMB	2018 RMB
Net (liabilities) assets of IPP	(3,326,463)	871,830
Proportion of the Group's ownership interest in IPP	37.5%	37.5%
Carrying amount of the Group's interest in IPP	-	326,936

**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the principal subsidiaries as at 31 March 2019 are as follows:

Name of subsidiary	Place of establishment and business	Principal activities	Particulars of issued and paid up registered capital	Proportion of ownership interest held by the Company			
				Directly 2019	Indirectly 2019	Directly 2018	Indirectly 2018
Shenzhen Tao-taogu Information Technology Co., Ltd.* (深圳市淘淘谷信息技術有限公司) ("STIT")	The PRC	Provision of system development and information technology services	Paid up registered capital of HK\$77,000,000 (2018: HK\$66,600,000)	100%	-	100%	-
Shenzhen Tao-taogu E-commerce Co., Limited.* (深圳市淘淘谷電子商務有限公司) ("STEC")	The PRC	Provision of E-commerce system development and information technology services	Paid up registered capital of RMB1,000,000 (2018: RMB1,000,000)	-	- (Note (a))	-	- (Note (a))
Shenzhen Tao-taogu Investment Co., Limited.* (深圳市淘淘谷投資有限公司) ("ST Investment")	The PRC	Provision of Investment management and consultancy services	Paid up registered capital of RMB1,000,000 (2018: RMB1,000,000)	-	- (Note (b))	-	- (Note (b))
Xiamen Tao-taogu Information Technology Co., Ltd.* (廈門市淘淘谷信息技術有限公司) ("XTIT")	The PRC	Provision of system development and information technology services	Paid up registered capital of RMB206,000 (2018: RMB206,000)	-	67%	-	67%
Jiangxi Tao-taogu E-commerce Co., Limited.* (江西淘淘谷電子商務有限公司) ("JTEC")	The PRC	Investment holding	Paid up registered capital of RMB200,000 (2018: RMB200,000)	-	92%	-	92%
Neimenggu Taotaogu Information Technology Services Co., Ltd.* (內蒙古淘淘谷信息技術服務有限公司) ("NTIT")	The PRC	Provision of system development and information technology services	Paid up registered capital of RMB30,000 (2018: RMB30,000)	-	100%	-	100%

* English name for identification purpose only

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the financial performance for the year of formed a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY - Continued

Notes:

- (a) On 2 July 2013, STIT, a wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with Mr. Xiong Qiang, a director and a shareholder of the Company and Ms. Ling Fang, the wife of Xiong Qiang to obtain control in STEC, a company established in the PRC. The Group does not hold any ownership interests in STEC. However, based on the terms of the Agreement under which STEC was acquired, the Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct STEC's activities that most significantly affect these returns.
- (b) The Group does not hold any ownership interests in ST Investment. However, based on the terms of agreement under which ST Investment was established, the Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct ST Investment's activities that most significantly affect these returns.
- (c) (i) As at 31 March 2019, the registered capital of STIT was HK\$90,000,000 of which HK\$77,000,000 was paid up.
- (ii) As at 31 March 2019, the registered capital of STEC was RMB2,000,000 of which RMB1,000,000 was paid up.
- (iii) As at 31 March 2019, the registered capital of XTIT was RMB1,000,000 of which RMB206,000 was paid up.
- (iv) As at 31 March 2019, the registered capital of JTEC was RMB2,000,000 of which RMB200,000 was paid up.
- (v) As at 31 March 2019, the registered capital of NTIT was RMB100,000 of which RMB30,000 was paid up.

8. SHARE CAPITAL

	Number of ordinary shares	HK\$	RMB equivalent
Issued and fully paid:			
At 1 April 2017	637,747,400	89,795,205	72,743,496
Conversion of convertible bonds (note i)	4,498,305	6,965,848	5,991,360
At 31 March 2018	642,245,705	96,761,053	78,734,856
Conversion of convertible bonds (note ii)	8,523,886	9,920,483	8,454,261
At 31 March 2019	650,769,591	106,681,536	87,189,117

**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. SHARE CAPITAL - Continued

Notes:

- (i) On 4 August 2017, the Company's convertible bonds with principal value of RMB6,000,000 were converted into 4,498,305 ordinary shares of the Company at the conversion price of AUD0.25 (equivalent to RMB1.33) per share.
- (ii) On 13 July 2018, the Company's convertible bonds with principal value of RMB8,000,000 were converted into 8,009,236 ordinary shares of the Company at the conversion price of AUD0.2 (equivalent to RMB0.99) per share.
On 18 July 2018, the Company's convertible bonds with principal value of HK\$600,000 were converted into 514,650 ordinary shares of the Company at the conversion price of AUD0.2 (equivalent to RMB0.99) per share.

9. NET TANGIBLE ASSETS

	2019	2018
	Cents	Cents
Net tangible asset deficit per ordinary share	(2.80)	(4.74)

10. STATUS OF AUDIT OR REVIEW

This report is based on accounts which are in the process of being audited or subject to review.