



FINTECH CHAIN LIMITED

ARBN 158 702 400

INTERIM REPORT **Six months ended 30 September 2024**

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 31 March 2024 and any public announcements issued by FINTECH CHAIN LIMITED in accordance with the continuing disclosure requirements of the Australian Securities Exchange Listing Rules.

The interim financial information is presented in Renminbi, the official currency of the People's Republic of China, unless otherwise stated.

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

HALF-YEAR ENDED 30 September 2024
(Previous corresponding period half-year ended 30 September 2023)

RMB'000

| | | | | |
|--|------|--------|----|----------|
| Revenue from ordinary activities | down | 12.7% | to | 19,184 |
| Loss after tax for the period | up | 190.6% | to | (11,194) |
| Loss for the period attributable to owners of the Company | up | 202.9% | to | (11,003) |

Dividends

No dividends were paid or declared during the six months ended 30 September 2024 (2023: Nil)

Explanation of Revenue

Revenue decreased from RMB22.0 million for the six months ended 30 September 2023 to RMB19.2 million for the six months ended 30 September 2024.

Compared to the previous period, revenue from SaaS cloud services decreased to RMB8.4 million, revenue from SaaS for rights/ interests/ points/ marketing/ promotion decreased to RMB0.2 million and revenue from SaaS for hardware IoT decreased to RMB10.2 million. This decrease in revenue resulted from reduced activity due to the lack of momentum in economic recovery in local markets, which impacted bank and merchant partners and as a result FTC.

Comments on above figures

Loss after tax for the six months ended 30 September 2024 was RMB11.2 million, an increase of loss of RMB7.3 million over the corresponding prior period. The principal reason for the loss resulted from increased cost of sales and services rendered in more remote area in China during establishment and development phases.

Net loss derived during the period included:

1. increase in cost of sales and services rendered of RMB4.3 million;
2. decrease in other income, gains and losses, net of RMB0.7 million;
3. increase in research and development expenses of RMB1.8 million;
4. decrease in impairment losses under expected credit loss model, net of reversal of RMB2.1 million
5. decrease in unrealised gain on change of fair value of embedded derivatives of convertible bonds of RMB0.3 million
6. decrease in finance costs of RMB0.3 million.

Selling expenses and general and administrative expenses had no significant changes compared to corresponding prior period.

RESULTS FOR ANNOUNCEMENT TO THE MARKET (Cont'd)

Comments on above figures (Cont'd)

Net loss for the period attributable to owners of the Company was RMB11.0 million, an increase of RMB7.4 million over the prior period.

Refer to the accompanying Directors Report for a detailed description of the Company's expansion and business development plans.

| NTA Backing | As at | |
|---|-------------------|-------------------|
| | 30 September 2024 | 30 September 2023 |
| Net tangible liabilities backing per ordinary share | 3.57 cents | 1.65 cents |

Controlled entities acquired or disposed of

The Company did not acquire or dispose of any controlled entities during the period.

Additional dividend information

The Company did not declare dividends during either the current nor previous six-month period.

Dividend reinvestment plans

The Company does not currently have a dividend reinvestment plans in place.

Associates and joint venture entities

The Company did not acquire nor dispose of any associates or joint venture entities during the period.

Foreign entities

The Company's financial reports have been prepared under both Hong Kong Financial Reporting Standards and International Financial Reporting Standards. Further details are included in Note 3 in the attached half year report.

DIRECTORS REPORT

The directors present their report on the consolidated entity consisting of FinTech Chain Limited (“FTC”) and its controlled entities for the six months ended 30 September 2024 (hereinafter the “Group”).

Directors

The following persons were directors of FTC during the period and up to the date of this report:

Executive Directors

XIONG Qiang (President & Chief Executive Officer)
GAO Qiuju (Vice President, Deputy Chief Executive Officer)

Non-executive Directors

RYAN Christopher John (Independent Chairman)
HONG Yupeng

Principal activities

FTC's own 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 serves banks, merchants, and consumers by connecting various information systems, software and hardware, in the form of cloud services in a compliant, secure and user-friendly manner.

Three 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 payments with multiple payment channels; integrated merchant submissions; reconciliation processing; risk control; branch management; and unified settlement reports.
 - Services for Merchants: Integrated payments; integrated payment QR codes; payment collection plugin; and payment collection APPs.
- (ii) Payment Digital Transformation SaaS service (merchant solutions/industry applications)
 - Provides leading operations systems/software to various merchants/ industries.
 - Smart merchant solutions/industry applications for over 40 different industries: Food and Beverage; Retail; Car parks; Hospitals; Scenic Spots; Property Management; Bill Payments; and CRM (Customer Relationship Management).

2. SaaS for rights/interests/points/marketing/promotion

- A one-stop SaaS for marketing management to increase potential cross-selling opportunities 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.

DIRECTORS REPORT (Cont'd)

Management Discussion and Analysis

Post the COVID 19 epidemic, the lack of momentum in local markets continues to impact bank and merchant partners and as a result to FTC.

FTC's T-Linx™ SaaS platform continues to receive positive feedback from the market after years of research and development, marketing and promotion to various commercial banks, financial institutions and commercial companies. With the further development of digital transformation in China, T-Linx™ comprehensively serves more diversified payment scenarios. FTC considers the T-Linx™ system in providing seamless inter-connectivity and intelligent digital processing, will continue to attract industry demand in and meet the needs of both the banking and enterprise sectors.

Despite continued sluggishness in the economy, FTC has accelerated research and development in specific areas as described hereafter.

FTC has widened its service offerings to include remote area connectivity and electric vehicle charging capability.

In order to expand new customers in remote areas this year, FTC entered the market at competitive sales prices. Bank customers will invest in system optimization, server expansion, and hardware installation to develop revenue from electric vehicle charging channels.

The two-wheel-driven development strategy of FTC (i.e. bank-level and enterprise-level T-Linx™ middleware) will continue to play an important role in strengthening the digital interconnection bridge between banks and their enterprise clients. FTC will continue to innovate and provide more value-added solutions, such as "Enterprise Funds Link", in order to expand both bank and enterprise client bases.

Revenue

Revenue decreased by RMB2.8 million or 12.7%, from RMB22.0 million for the six months ended 30 September 2023 to RMB19.2 million for the six months ended 30 September 2024. This decrease was due to FTC revenue from SaaS for hardware IoT decreased by RMB1.5 million compared to the previous corresponding period. Revenue from SaaS cloud service decreased by RMB1.1 million compared to the previous corresponding period.

FTC expects this revenue to reverse by growing steadily in the second half of the financial year as FTC is developing customer market in remote areas.

Gross profit

Gross profit amounted to RMB1.8 million, a decrease of RMB7.1 million, compared to the previous period. The decrease in gross profit was due to increased cost pressures resulting from demand exceeding supply including hardware IoT costs to develop electric vehicle charging channels in more remote area in China.

FTC expects gross profit to increase in line with revenue from SaaS for hardware IoT in the second half of the financial year.

DIRECTORS REPORT (Cont'd)

Selling expenses

Selling expenses slightly increased by RMB0.1 million from RMB0.4 million to RMB0.5 million due to increase in cost of society insurance on salespersons. Starting from 2024, Shenzhen's social security increased its social security payment base, resulting in increased labor costs.

Research and development expenses

Planned research and development expenses increased by RMB1.8 million from RMB2.5 million to RMB4.2 million. As FTC was developing customer market in remote areas, system optimization, server expansion and hardware installation costs were incurred during the financial period.

General and administrative expenses

General and administrative expenses slightly decreased by RMB0.2 million from RMB6.6 million to RMB6.4 million due to FTC management implementing tighter controls on expenditure. At the same time, starting from 2024, Shenzhen's social security increased its social security payment base, resulting in increased labor costs.

Impairment losses under FTC's expected credit loss model, net

Impairment losses under FTC's expected credit loss model, net, decreased by RMB2.1 million. FTC management implemented conservative approach on receivables credit risk and impairment assessment under the current global and China economic climate.

Finance costs

Non-cash finance costs incurred by convertible bonds decreased by RMB0.4 million compared to the previous period. No finance costs were incurred during the six months ended 30 September 2024 as all convertible bonds matured before 31 March 2024. Bank borrowings, other borrowings and financial guarantee services fee increased by RMB0.1 million in total. Ms. Ling Fang, wife of an executive director, Mr. Xiong Qiang of the Company, provided a personal financial guarantee to the bank borrowings.

Unrealised gain on change of fair value of embedded derivatives of convertible bonds

Decrease in unrealised gain on change of fair value of embedded derivatives of convertible bonds of RMB0.3 million was due to all convertible bonds have matured before 31 March 2024.

DIRECTORS REPORT (Cont'd)

Net loss attributable to owners of the Company

Net loss after tax attributable to owners of the Company was RMB11.0 million (prior period RMB3.6 million) an increase of RMB7.4 million. This results from the net effect of:

1. revenue decreased by RMB2.8 million;
2. cost of sales and services rendered increased by RMB 4.3 million; and
3. total expenses increased by RMB0.3 million

Loss per share

The basic and diluted loss per share attributable to the owners of the Company was RMB1.691 cents during the six months ended 30 September 2024, and the basic and diluted loss per share attributable to the owners of the Company was RMB0.558 cents in the previous period.

Dividends

No dividends have been paid nor are any dividends proposed to be paid during the financial period.

Net current liabilities and net tangible liabilities

The Group recorded net current liabilities of RMB24.0 million as at 30 September 2024 as compared to RMB12.9 million at 31 March 2024. The main reason for the increase is due to increased bank borrowings of RMB8.0 million during the six-month ended financial period.

Net tangible liabilities amounted to RMB23.2 million as at 30 September 2024 compared to RMB10.8 million as at 30 September 2023. Net tangible liabilities per share amounted to RMB3.57 cents as 30 September 2024, compared to RMB1.65 cents at 30 September 2023.

Share Capital

There was no changes in share capital during the financial period.

Share options

The Company did not issue any share options during the financial period.

Transfer to Reserves

Refer to the condensed consolidated statement of changes in equity for the Group's transfer to reserves.

DIRECTORS REPORT (Cont'd)

Plant and Equipment

Details of the movements in plant and equipment during the period are set out in note 13 to the condensed consolidated financial statements.

Convertible bonds

The Company did not issue any convertible bonds during the six-months ended financial period.

Commitments

The Group had capital commitments for unpaid registered capital for the subsidiaries and investments of RMB13.4 million as at 30 September 2024. Details are set out in note 18 to the condensed consolidated financial statements.

Management contracts

No contracts concerning management and administration of the whole or any substantial part of the business of the Company were entered into during the period.

Directors' interests in contracts

Except for the directors' interests as disclosed in the note 19 to the condensed consolidated financial statements, no contract of significance in relation to the Company's business to which the Company or any of its holding companies, subsidiaries, or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, existed at the end of the reporting period or at any time during the year.

Foreign exchange exposure

The Group is exposed to currency risk primarily through cash and bank balances that are denominated in a foreign currencies, i.e. a currency other than functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily Hong Kong dollars, United States Dollars ("USD") and Australia Dollars ("AUD").

The Group's revenue is mainly denominated and settled in RMB. The Group incurred most of its operational expenses and capital outlays in RMB. The directors considered its exposure to foreign currency exchange risk arising from its operating activities to be insignificant as the majority of the Group's operating activities are denominated in functional currency of the respective group entities.

DIRECTORS REPORT (Cont'd)

Employee, remuneration policies and share option scheme

At 30 September 2024, the Group had 135 full-time employees (31 March 2024: 119). The salaries of the Group's employees were determined by reference to personal performance, professional qualifications, industry experience and relevant market trends. The Company ensures all levels of employees are paid competitively within market parameters and employees are rewarded on a performance-related basis within the framework of the Group's salary, incentives and bonus schemes. FTC's Remuneration and Nomination Committee in conjunction with management review the remuneration policy of the Group on a regular basis and evaluates the work performance of the employees. The remuneration of employees includes salaries, allowances, year-end bonuses and social insurance.

Material uncertainty related to going concern

We draw attention to note 2 to the condensed consolidated financial statements which describes that the Group's loss attributable to the owners of the Company of RMB11,003,406 and had net cash used in operating activities of RMB6,767,678 for the six months ended 30 September 2024 and, as of that date, the Group's current liabilities exceeded its current assets by RMB24,047,202 and the Group had net liabilities of RMB23,201,647. As at the same date, the Group's borrowings due within one year amounted to RMB23,860,072, while its cash and cash equivalents amounted to RMB2,787,331 only. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern.

In view of this, FTC has adopted the following immediate measures to improve our cashflow:

- The management has been implementing various strategies to broaden the customer base and to increase revenue of the Group;
- The Group's loan facilities of RMB15,000,000 will not expire within the next twelve months from 30 September 2024, which will maintain stable resource available for the sustainable operation of the Group. Ms. Ling Fang, the wife of an executive director, Mr. Xiong Qiang, agreed to undertake all the loan facilities of the Group from Bank of Beijing and China Guangfa Bank by acting as guarantor. Ms. Ling Fang charged guarantee fee at 2% per annum according to the guaranteed amount;
- On 28 October 2024, Ms. Ling Fang provided an unsecured 5 years loan of RMB12,000,000 to the Group, of has been used to settle the loan from Bank of Beijing of RMB10,000,000 on 28 October 2024; and
- Mr. Xiong Qiang has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due. Therefore, the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the next twelve months from 30 September 2024.

DIRECTORS REPORT (Cont'd)

Business outlook

The continued development of FTC essentially depends on our keen insight into market changes and trends, as well as scientific decision-making. In the face of fierce market competition and complex and ever-changing overall economic environment, management has always remained calm and composed, actively faced challenges, and made timely adjustments and optimizations. We have launched a series of products that are suitable for reducing costs and increasing efficiency for banks in the new environment, and have launched innovative and competitive products in today's environment. In response to the fine grid development of banks, we have launched the "Community Charging Pile Scene Payment Solution" and "Enterprise and Campus Canteen Scene Payment Solution" to help banks create traffic entry and ecological scene closed-loop payments. Through the use of AI facial recognition intelligent payment applications and IoT payment applications for new energy charging in canteens, we have been actively piloted and service provider innovative applications shortlisted by dozens of banks such as Liaoning Construction Bank, Bank of China Jiangxi Branch, Ganzhou Bank Headquarters, and Yantai Rural Commercial Bank. We have strengthened our marketing efforts and enhanced the Company's payment brand image and the influence of its application scenarios. The results of these efforts have not only earned us a reputation through word-of-mouth in the market, but also guided us to apply refined innovative services in the industry. Our next steps involve gradually launch more diverse bank customer scenario payment application solutions, including closed-loop scenario payment applications such as smart agricultural and trade agricultural wholesale and business travel one card.

Despite our achievements, we still face many challenges and difficulties in a harsh environment. The rapid development of technology and the adjustment of domestic economic framework have brought pressure on our industry. In this situation, we need to be more sensitive to the pulse of the market, adjust and optimize our business strategies in a timely manner, and respond to various changes and challenges. In order to meet the development needs of the market, we will focus on the following aspects.

Firstly, we will invest further in product innovation, research and development in response to China's newest developments in policy orientation. Through market competition in the previous year, it was found that only products that continuously innovate in line with new environments, trends, and policy orientations can meet the needs of banks. We will increase the launch of new products under the new policies, improve product research and design processes, shorten product launch time, and quickly seize policy opportunities. For example, this year we collaborated with Shangrao Bank and the local government to promote economic recovery in response to downturn in the real estate market. Local government provided a RMB 200 million subsidy for real estate decoration, and combined it with the entire product development process from payment to equity verification and government reconciliation settlement. It only took 2 weeks to launch the product. Similarly, we are providing product design and research and development for the application of the third-generation social security card in scenario payments nationwide, and will quickly launch it within the next 12 months.

Secondly, we will strengthen the construction of regional marketing rights in local living scene commercial districts. In a competitive market, only by creating a regional grid payment market and a competitive and reputable entrance to the local living commercial district can we occupy a place in the minds of regional consumers. We will launch a closed-loop payment strategy for users' local living areas in 2025, formulate a scientific and reasonable grid market development plan, collaborate with local banks to expand market channels, and conduct pilot projects in Shandong region.

Thirdly, we will strengthen the construction and development of our talent pool. Talent is the core competitiveness of enterprise development and an importantly guarantees our Company's continuous innovation and progress. We will further improve the talent selection and utilization mechanism, focus on cultivating and motivating outstanding talents, break down innovation barriers, and stimulate employees' innovation potential and enthusiasm. At the same time, we will also strengthen the comprehensive quality training of employees, enhance their professional skills and teamwork abilities, and provide solid talent support for the development of the Company.

DIRECTORS REPORT (Cont'd)

Business outlook (Cont'd)

In the coming year, it is also the beginning of our Company's new journey. We will devote ourselves wholeheartedly to the FTC payment industry with more enthusiasm and fighting spirit. We believe that as long as we work together, have the courage to innovate, overcome difficulties, we will definitely be able to embrace greater development and success. I believe that as long as we hold onto our dreams and bravely pursue them, we will definitely be able to achieve our goals. Let's join hands and work together to strive for the future development of FTC!

This report is made in accordance with a resolution of directors.



Mr. XIONG Qiang
President
FINTECH CHAIN LIMITED

29 November 2024



Mr. RYAN Christopher John
Independent Chairman
FINTECH CHAIN LIMITED

STATEMENT BY DIRECTORS

In accordance with a resolution of the Directors of FINTECH CHAIN LIMITED (the "Company"), we state that:

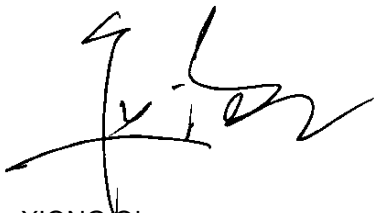
(1) In the opinion of the Directors:

- a. The condensed consolidated statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company and its subsidiaries (the "Group") as at 30 September 2024; and
- b. At the date of this statement there are reasonable grounds to believe that the Group and the Company will be able to pay its debts as and when they fall due.

(2) In the opinion of the Directors, the interim financial information give a true and fair view of:

- a. The loss and cash flows of the Group for the six months ended 30 September 2024; and
- b. The state of affairs of the Group at 30 September 2024.

On behalf of the Board



Mr. XIONG Qiang
President
FINTECH CHAIN LIMITED



Mr. RYAN Christopher John
Independent Chairman
FINTECH CHAIN LIMITED

29 November 2024

Report on Review of Condensed Consolidated Financial Statements

TO THE BOARD OF DIRECTORS OF
FINTECH CHAIN LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Fintech Chain Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 16 to 36, which comprise the condensed consolidated statement of financial position as of 30 September 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. As the annual financial statements of the Group are prepared in accordance with both International Financial Reporting Standards and Hong Kong Financial Reporting Standards, the directors of the Company are responsible for the preparation and presentation of the interim financial information in accordance with both International Accounting Standard ("IAS") 34 *"Interim Financial Reporting"* ("IAS 34") issued by the International Accounting Standards Board and Hong Kong Accounting Standard ("HKAS") 34 *"Interim Financial Reporting"* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 and HKAS 34.

Report on Review of Condensed Consolidated Financial Statements - Continued

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2 to the condensed consolidated financial statements, which indicates that the Group reported loss attributable to the owners of the Company of RMB11,003,406 and had net cash used in operating activities of RMB6,767,678 for the six months ended 30 September 2024 and, as of that date, the Group's current liabilities exceeded its current assets by RMB24,047,202 and the Group had net liabilities of RMB23,201,647. As at the same date, the Group's borrowings due within one year amounted to RMB23,860,072, while its cash and cash equivalents amounted to RMB2,787,331 only. These conditions, along with other matter as set forth in Note 2 to the condensed consolidated financial statements, indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. Our review conclusion is not modified in respect of this matter.

Asian Alliance (HK) CPA Limited

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Chung Chi Chiu
Practising Certificate Number: P06610

8/F., Catic Plaza
8 Causeway Road
Causeway Bay
Hong Kong

29 November 2024

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

| | Notes | Six months ended 30 September | |
|--|-------|----------------------------------|----------------------------|
| | | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Revenue | 4 | 19,184,045 | 21,985,224 |
| Cost of sales and services rendered | | (17,414,410) | (13,161,444) |
| Gross profit | | 1,769,635 | 8,823,780 |
| Other income, gains and losses, net | 6 | 192,707 | 868,724 |
| Impairment losses recognised under expected credit loss model, net of reversal | 7 | (1,311,890) | (3,390,406) |
| Selling expenses | | (539,286) | (421,004) |
| Research and development expenses | | (4,236,493) | (2,475,695) |
| General and administrative expenses | | (6,390,887) | (6,593,487) |
| Unrealised gain on change of fair value of embedded derivatives of convertible bonds | | - | 317,200 |
| Finance costs | 8 | (678,210) | (980,650) |
| Loss before tax | 10 | (11,194,424) | (3,851,538) |
| Income tax expense | 9 | - | - |
| Loss and total comprehensive expense for the period | | (11,194,424) | (3,851,538) |
| Loss and total comprehensive expense for the period attributable to: | | | |
| - Owners of the Company | | (11,003,406) | (3,632,315) |
| - Non-controlling interests | | (191,018) | (219,223) |
| | | (11,194,424) | (3,851,538) |
| Loss per share (RMB Cents) | | | |
| - Basic and diluted | 11 | (1.691) | (0.558) |

The notes on pages 20 to 36 form an integral part of this unaudited condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

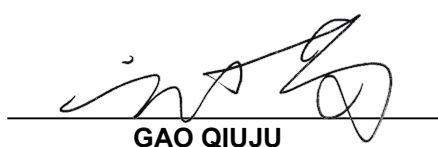
At 30 September 2024

| | Notes | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
|---|-------|---|---|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 13 | 612,650 | 725,697 |
| Intangible assets | 13 | 13,133 | 21,013 |
| Right-of-use asset | 14 | 1,817,756 | 2,391,785 |
| | | 2,443,539 | 3,138,495 |
| CURRENT ASSETS | | | |
| Inventories | | 532,183 | 383,976 |
| Trade and other receivables | 15 | 18,950,258 | 15,661,890 |
| Cash and cash equivalents | | 2,787,331 | 2,822,904 |
| | | 22,269,772 | 18,868,770 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 16 | 18,698,649 | 12,082,881 |
| Contract liabilities | | 2,497,019 | 2,629,195 |
| Borrowings | 17 | 23,860,072 | 15,861,596 |
| Lease liabilities | | 1,261,234 | 1,179,193 |
| | | 46,316,974 | 31,752,865 |
| NET CURRENT LIABILITIES | | (24,047,202) | (12,884,095) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (21,603,663) | (9,745,600) |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 17 | 880,000 | 880,000 |
| Lease liabilities | | 717,984 | 1,381,623 |
| | | 1,597,984 | 2,261,623 |
| NET LIABILITIES | | (23,201,647) | (12,007,223) |
| CAPITAL AND RESERVES | | | |
| Share capital | | 87,189,117 | 87,189,117 |
| Reserves | | (107,341,964) | (96,338,558) |
| Equity attributable to owners of the Company | | (20,152,847) | (9,149,441) |
| Non-controlling interests | | (3,048,800) | (2,857,782) |
| TOTAL DEFICIT | | (23,201,647) | (12,007,223) |

Approved and authorised for issue by the board of directors on 29 November 2024:



XIONG QIANG



GAO QIUJU

The notes on pages 20 to 36 form an integral part of this unaudited condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity For the six months ended 30 September 2024

| | Share capital RMB | Accumulated losses RMB | Sub-total RMB | Non- controlling interests RMB | Total deficit RMB |
|--|-------------------------|------------------------------|---------------------|---|-------------------------|
| At 1 April 2023 (Audited) | 87,189,117 | (91,618,425) | (4,429,308) | (2,448,146) | (6,877,454) |
| Loss and total comprehensive expense for the period | - | (3,632,315) | (3,632,315) | (219,223) | (3,851,538) |
| At 30 September 2023 (Unaudited) | 87,189,117 | (95,250,740) | (8,061,623) | (2,667,369) | (10,728,992) |
| At 1 April 2024 (Audited) | 87,189,117 | (96,338,558) | (9,149,441) | (2,857,782) | (12,007,223) |
| Loss and total comprehensive expense for the period | - | (11,003,406) | (11,003,406) | (191,018) | (11,194,424) |
| At 30 September 2024 (Unaudited) | 87,189,117 | (107,341,964) | (20,152,847) | (3,048,800) | (23,201,647) |

The notes on pages 20 to 36 form an integral part of this unaudited condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

| | Six months ended 30 September | |
|--|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| NET CASH (USED IN) FROM OPERATING ACTIVITIES | (6,767,678) | 4,094,274 |
| INVESTING ACTIVITIES | | |
| Interest received | 3,497 | 16,870 |
| Payments for purchase of plant and equipment | (10,060) | (115,043) |
| NET CASH USED IN INVESTING ACTIVITIES | (6,563) | (98,173) |
| FINANCING ACTIVITIES | | |
| Interest paid | (678,210) | (431,626) |
| Repayment of lease liabilities | (581,598) | (539,733) |
| New bank borrowings arise | 13,298,476 | 10,860,000 |
| New other borrowing arise | - | 11,100,000 |
| Repayment of bank borrowings | (5,300,000) | (3,187,381) |
| Repayment of other borrowings | - | (15,690,521) |
| Repayment of convertible bonds | - | (1,824,000) |
| NET CASH FROM FINANCING ACTIVITIES | 6,738,668 | 286,739 |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (35,573) | 4,282,840 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 2,822,904 | 1,608,321 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by bank balances and cash | 2,787,331 | 5,891,161 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

1. GENERAL INFORMATION

Fintech Chain Limited (the “Company”) is a limited liability company domiciled and incorporated in Hong Kong. The address of its registered office and principal place of business is Unit 1806, 18/F., Gala Place, 56 Dundas Street, Mongkok, Kowloon, Hong Kong.

The Company is an investment holding company and its shares are listed on Australian Securities Exchange. Its subsidiaries (together with the Company collectively referred to as the “Group”) are principally engaged in interconnected services of T-Linx™ Software as a Service (“SaaS”) platform including SaaS cloud service which includes provision of system development services and information technology services, SaaS for hardware internet of things (“IoT”) which includes sale of point-of-sale machine and other hardware and SaaS for rights/interests/points/marketing/promotion in the People’s Republic of China (the “PRC”). At 30 September 2024, the directors of the Company (the “Directors”) consider that the immediate and ultimate controlling party of the Company to be Mr. Xiong Qiang.

The condensed consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “*Interim Financial Reporting*”, issued by the International Accounting Standard Board (“IASB”). IAS 34 is consistent with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accordingly this condensed consolidated financial statements is also prepared in accordance with HKAS 34.

The financial information relating to the year ended 31 March 2024 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 March 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; included a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The Group reported loss attributable to the owners of the Company of RMB11,003,406 and had net cash used in operating activities of RMB6,767,678 for the six months ended 30 September 2024 and, as of that date, the Group’s current liabilities exceeded its current assets by RMB24,047,202 and the Group had net liabilities of RMB23,201,647. As at the same date, the Group’s borrowings due within one year amounted to RMB23,860,072, while its cash and cash equivalents amounted to RMB2,787,331 only. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern. In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking into consideration the followings:

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

2. BASIS OF PREPARATION - Continued

- The management has been implementing various strategies to broaden the customer base and to increase revenue of the Group;
- The Group's loan facilities of RMB15,000,000 will not expire within the next twelve months from 30 September 2024, which will maintain stable resource available for the sustainable operation of the Group. Ms. Ling Fang ("Ms. Ling"), the wife of an executive director, Mr. Xiong Qiang, agreed to undertake all the loan facilities of the Group from Bank of Beijing and China Guangfa Bank by acting as guarantor. Ms. Ling charged guarantee fee at 2% per annum according to the guaranteed amount;
- On 28 October 2024, Ms. Ling, provided an unsecured 5 years loan of RMB12,000,000 to the Group, of which was used to settle the loan from Bank of Beijing of RMB10,000,000 on 28 October 2024; and
- Mr. Xiong Qiang has undertaken to provide adequate funds to enable the Group to meet its liabilities and to settle financial obligations to third parties as and when they fall due. Therefore, the Group can continue as a going concern and carry on its business without a significant curtailment of operations for the next twelve months from 30 September 2024.

The Directors have reviewed the Group's cash flow projection prepared by management which covered a period of not less than twelve months from 30 September 2024 on the basis that the Group's aforementioned plans and measures will be successful, and are satisfied that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 30 September 2024. Accordingly, the Directors consider that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional accounting policies resulting from application of new and amendments to International Financial Reporting Standards (“IFRSs”) and Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

Application of amendments to IFRSs and HKFRSs

In the current interim period, the Group has applied the following amendments to IFRSs/ HKFRSs issued by the International Accounting Standards Board (“IASB”) / Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatory effective for the Group’s annual period beginning on or after 1 April 2024 for the preparation of the Group’s condensed consolidated financial statements.

| | |
|---|--|
| Amendments to IFRS / HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to IAS / HKAS 1 | Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5(2020) |
| Amendments to IAS / HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to IAS / HKAS 7 and IFRS / HKFRS 7 | Supplier Finance Arrangements |

The application of the new and amendments to IFRSs/HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. REVENUE

Disaggregation of revenue from contracts with customers

| | Six months ended 30 September | |
|--|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Types of goods and services | | |
| SaaS cloud service | 8,403,469 | 9,536,116 |
| SaaS for hardware IoT | 10,210,970 | 11,700,890 |
| SaaS for rights/interests/points/marketing/promotion | 195,049 | 320,482 |
| Total | 18,809,488 | 21,557,488 |
| Timing of revenue recognition | | |
| Over time | - | 1,480,073 |
| A point in time | 18,809,488 | 20,077,415 |
| Total | 18,809,488 | 21,557,488 |
| Geographical market | | |
| Mainland China | 18,809,488 | 21,557,488 |

Set out below is the reconciliation of the revenue from contracts with customers with the amount disclosed in segment information:

| | Notes | Six months ended 30 September | |
|--|-------|----------------------------------|----------------------------|
| | | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| SaaS cloud service | | 8,403,469 | 9,536,116 |
| SaaS for hardware IoT | | 10,210,970 | 11,700,890 |
| SaaS for rights/interests/points/marketing/promotion | | 195,049 | 320,482 |
| Revenue from contracts with customers | (a) | 18,809,488 | 21,557,488 |
| Leases of point-of-sale machines | (b) | 374,557 | 427,736 |
| Total revenue | | 19,184,045 | 21,985,224 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. REVENUE - Continued

Disaggregation of revenue from contracts with customers - continued

Notes:

- (a) For the provision of SaaS cloud service, it includes the provision of system development services and information technology services.

Provision of system development services

It mainly included the development of T-Linx™ SaaS platform for banks and other customers for a fixed annual service fee. Revenue is recognised over the period of the contract by reference to the progress of work performed and acknowledged by the customers.

Provision of information technology services

It mainly represents the service fee at a rate of 2-3 basis points of the total transaction volume processed through T-Linx™ SaaS platform by customers or services fee at a fixed amount per month. Revenue is recognised at the time the service is rendered.

For the SaaS for hardware IoT, it is the sale of SaaS service related hardware. Revenue is recognised when the control of the machines is transferred to customers.

For the SaaS for rights/interests/points/marketing/promotion, it is a value-added service provided to customers, which help customer to obtain brand exposure and enhance the cross-selling opportunities for customers with other partners. Revenue is recognised at the time service is rendered.

All revenue contracts are for periods of one year or less. As permitted under IFRS/HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

- (b) Leases

| | Six months ended 30 September | |
|---|--|--------------------|
| | 2024 | 2023 |
| | RMB | RMB |
| | (Unaudited) | (Unaudited) |
| For operating leases: | | |
| Lease payments of point-of-sale machines that are fixed | 374,557 | 427,736 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

5. SEGMENT INFORMATION

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

Information reported to the board of Directors (the "Board"), 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 from interconnected services of T-Linx™ SaaS platform including SaaS cloud service, SaaS for hardware IoT and SaaS for rights/interests/points/marketing/promotion. Accordingly, no segment analysis is presented other than entity-wide disclosures.

6. OTHER INCOME, GAINS AND LOSSES, NET

| | Six months ended 30 September | |
|----------------------------------|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Government grants | 162,296 | 748,600 |
| Sundry income | 26,914 | 103,254 |
| Interest income on bank deposits | 3,497 | 16,870 |
| | 192,707 | 868,724 |

7. IMPAIRMENT LOSSES RECOGNISED UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

| | Six months ended 30 September | |
|---|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Impairment losses recognised (reversal) on: | | |
| - trade receivables | 1,337,794 | 1,777,767 |
| - other receivables and deposits | 42,577 | 182,105 |
| - amounts due from associates | (84,056) | 1,452,233 |
| - amounts due from a related company | 15,575 | (21,699) |
| | 1,311,890 | 3,390,406 |

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

8. FINANCE COSTS

| | Six months ended 30 September | |
|-------------------------|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Interests on: | | |
| - Convertible bonds | - | 418,727 |
| - Lease liabilities | 63,088 | 93,189 |
| - Bank borrowings | 269,510 | 116,670 |
| - Other borrowings | 203,239 | 314,956 |
| | 535,837 | 943,542 |
| Financial guarantee fee | 142,373 | 37,108 |
| | 678,210 | 980,650 |

9. INCOME TAX EXPENSE

- (a) No provision of taxation in Hong Kong has been made as the group entities in Hong Kong did not generate any assessable profits for the six months ended 30 September 2024 and 2023.
- (b) Except for Shenzhen Tao-taogu Information Technology Co., Ltd. ("STIT"), a wholly-owned subsidiary of the Company, the other PRC subsidiaries are subject to PRC corporate income tax (the "EIT") at 25%. Pursuant to a notice issued by the tax authority on 5 April 2012, STIT is exempted from PRC EIT for the first two years starting from the first year of profitable operations after offsetting prior year losses, followed by a 50% reduction for the next three years. No provision of EIT of STIT has been made as the assessable profits for the period was wholly absorbed by tax losses brought forward for the six months ended 30 September 2023. During the six months ended 30 September 2024, no provision of EIT of STIT has been made as it incurred a loss.
- (c) No provision of EIT has been made in the condensed consolidated financial statements for the other PRC subsidiaries as those subsidiaries sustained a tax loss for the six months ended 30 September 2024 and 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

10. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

| | Note | Six months ended 30 September | |
|--|------|----------------------------------|----------------------------|
| | | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Amortisation of intangible assets | | 7,880 | 7,880 |
| Depreciation of plant and equipment | | 123,107 | 111,174 |
| Depreciation of right-of-use asset | | 574,029 | 670,078 |
| Cost of services rendered | | 7,670,937 | 7,428,836 |
| Cost of inventories sold | | 9,743,473 | 5,732,608 |
| Cost of sales and services rendered | | 17,414,410 | 13,161,444 |
| Net foreign exchange loss | | 107,182 | 536,705 |
| Directors' emoluments | | | |
| - Salaries and allowances | | 516,875 | 533,332 |
| - Contribution to defined contribution retirement plan | | 15,393 | 14,236 |
| | | 532,268 | 547,568 |
| Staff cost (including directors' emoluments) | (a) | | |
| - Salaries and allowances | | 8,190,607 | 8,257,848 |
| - Contribution to defined contribution retirement plan | | 700,789 | 688,439 |
| | | 8,891,396 | 8,946,287 |

Note a: Staff costs amounted to RMB3,187,200 (2023: RMB4,172,309), RMB262,780 (2023: RMB206,054), RMB2,776,152 (2023: RMB2,475,695) and RMB2,665,264 (2023: RMB2,092,229) have been included in cost of sales and service rendered, selling expenses, research and development expenses and general and administrative expenses respectively.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

| Loss | Six months ended 30 September | |
|---|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Loss for the period attributable to owners of the Company for the purpose of basic loss per share | (11,003,406) | (3,632,315) |
| Effect of dilutive potential ordinary shares: Convertible bonds | - | 954,087 |
| Loss for the purpose of basic / diluted loss per share | (11,003,406) | (2,678,228) |

| Number of shares | Six months ended 30 September | |
|--|----------------------------------|----------------------------|
| | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Weighted average number of ordinary shares for the purpose of basic loss per share | 650,769,591 | 650,769,591 |
| Effect of dilutive potential ordinary shares: Convertible bonds | - | 19,593,712 |
| Weighted average number of ordinary shares for the purpose of diluted loss per share | 650,769,591 | 670,363,303 |

For the six months ended 30 September 2023, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bonds since their assumed exercise would result in a decrease in loss per share.

For the six months ended 30 September 2024, there were no dilutive potential ordinary shares. The diluted earnings per share are the same as basic earnings per share for the six months ended 30 September 2024 and 2023.

12. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The Directors have determined that no dividend will be paid in respect of the interim period.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

13. PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

| | | Plant and equipment RMB | Intangible assets RMB |
|---|------|-------------------------------|-----------------------------|
| Carrying amount at 1 April 2024 (audited) | | 725,697 | 21,013 |
| Costs: | | | |
| Additions | Note | 10,060 | - |
| Depreciation and amortisation: | | | |
| Charge for the period | | 123,107 | 7,880 |
| Carrying amount at 30 September 2024 (unaudited) | | 612,650 | 13,133 |

Note: During the six months ended 30 September 2024, the Group acquired computers included in plant and equipment with a cost of RMB10,060 (six months ended 30 September 2023: acquired POS machines and computers included in plant and equipment with a cost of RMB115,043). No material plant and equipment were disposed of during the six months ended 30 September 2024 and 30 September 2023.

14. RIGHT-OF-USE ASSET

The Group leases an office for its operations. Lease contract is entered into for fixed term of three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

During the current interim period, the Group has no new lease agreement was entered. During the six months ended 30 September 2023, the Group renewed the lease agreement with lease term of three years. The Group recognised right-of-use asset of RMB3,539,843 and lease liability of RMB3,539,843 during the six months ended 30 September 2023.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

15. TRADE AND OTHER RECEIVABLES

| | Note | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
|-------------------------------------|------|---|---|
| Trade receivables: | | | |
| - Contract with customers | | 16,953,148 | 14,105,753 |
| - Leases | | 185,040 | 209,940 |
| | | 17,138,188 | 14,315,693 |
| Less: allowance for credit losses | | (4,057,567) | (2,719,773) |
| | (a) | 13,080,621 | 11,595,920 |
| Other receivables | | 2,253,335 | 2,403,056 |
| Amounts due from associates | | 2,689,299 | 2,773,355 |
| Amount due from a related company | | 20,000 | 20,000 |
| Prepayments and deposits | | 4,383,295 | 2,372,061 |
| Value-added tax recoverable | | 325,299 | 324,993 |
| | | 9,671,228 | 7,893,465 |
| Less: allowance for credit losses | | (3,801,591) | (3,827,495) |
| Other receivables, net of allowance | | 5,869,637 | 4,065,970 |
| | | 18,950,258 | 15,661,890 |

Note a: The credit period of trade receivables ranged from 3 months to 12 months.

As at 30 September 2024, included in the Group's trade receivables balance are debtors with aggregate gross amount of RMB6,925,113 (31 March 2024: RMB 5,427,801) which are past due at the reporting date. Out of the past due balances, RMB5,065,459 (31 March 2024: RMB3,501,663) has been past due 90 days or more and is not considered as in default by considering the ongoing business relationship, repayment history and expected future settlements. The Group does not hold any collateral over these balances.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2024

16. TRADE AND OTHER PAYABLES

| | Note | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
|--|------|---|---|
| Trade payables | (a) | 8,915,502 | 4,525,164 |
| Other payables and accruals | | 5,588,754 | 3,378,986 |
| Deposits received | | 1,564,224 | 1,610,993 |
| Amount due to a former director (Note 19(c)) | | 1,401,354 | 1,401,354 |
| Amount due to a director (Note 19(c)) | | 117,176 | 78,956 |
| Amount due to a related party (Note 19(c)) | | 109,808 | 109,808 |
| Financial liabilities measured at amortised cost | | 17,696,818 | 11,105,261 |
| Other tax levies payables | | 1,001,831 | 977,620 |
| | | 18,698,649 | 12,082,881 |

Note a: The credit period of trade payable ranged from 30 to 180 days.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

17. BORROWINGS

| | Notes | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
|-----------------------------|----------|---|---|
| Bank loans, secured | (a), (b) | 17,998,476 | 10,000,000 |
| Other borrowings, unsecured | (c), (d) | 6,741,596 | 6,741,596 |
| | | 24,740,072 | 16,741,596 |

| | Bank loans | | Other borrowings | | Total | |
|---|---|---|---|---|---|---|
| | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
| The carrying amounts of the borrowings are repayable | | | | | | |
| - Within one year | - | - | 5,861,596 | 5,861,596 | 5,861,596 | 5,861,596 |
| - Within a period of more than one year but not exceeding two years | - | - | 720,000 | 720,000 | 720,000 | 720,000 |
| - Within a period of more than two years but not exceeding five years | - | - | 160,000 | 160,000 | 160,000 | 160,000 |
| | - | - | 6,741,596 | 6,741,596 | 6,741,596 | 6,741,596 |
| The carrying amounts of the borrowings that contain a repayment on demand clause (shown under current liabilities) and repayable: | | | | | | |
| - Within one year | 17,998,476 | 10,000,000 | - | - | 17,998,476 | 10,000,000 |
| Total borrowings | 17,998,476 | 10,000,000 | 6,741,596 | 6,741,596 | 24,740,072 | 16,741,596 |
| Less: Amounts due within one year shown under current liabilities | (17,998,476) | (10,000,000) | (5,861,596) | (5,861,596) | (23,860,072) | (15,861,596) |
| Amounts shown under non-current liabilities | - | - | 880,000 | 880,000 | 880,000 | 880,000 |

Notes:

- (a) On 16 November 2023, the Group entered into a bank loan agreement with Bank of Beijing with the principal amount of RMB10,000,000, which carried fixed interest of 3.9% per annum, secured by personal guarantees of Ms. Ling and Mr. Xiong Qiang. The loan was wholly repayable on 28 October 2024.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2024

17. BORROWINGS - Continued

- (b) On 3 April 2024, the Group has entered into a loan facility of RMB8,000,000 with China Guangfa Bank. The Group has drawn down an aggregate amount of RMB7,998,476 from April 2024 to September 2024, which carried fixed interest rates with reference to loan prime rate by The People's Bank of China at 3.45% per annum, secured by a personal guarantee from Ms. Ling and is repayable within 1 year from the date of drawdown.
- (c) On 9 June 2023, Ms. Ling, a related party as detailed in Note 19(c) provided a long-term loan of RMB11,100,000 to the Company, of which all have been used to settle the convertible bond. Pursuant to the loan agreement ("Loan Agreement") dated 9 June 2023, the borrowing from Ms. Ling is unsecured, carried interest rate at 6% per annum and is repayable in 5 years by installments. The Group has outstanding borrowing of RMB1,600,000 as at 30 September 2024 and 31 March 2024. In addition to the Loan Agreement, Ms. Ling agreed to provide a personal guarantee to all the loan facilities of the Group from Bank of Beijing and China Guangfa Bank. Ms. Ling charged the guarantee fee at 2% per annum according to the guaranteed amount during the six months ended 30 September 2024, details have been disclosed in Note 19(b) and Note 19(c)(iii).
- (d) On 9 January 2024, the convertible bond with principal amount of USD716,000 issued on 10 January 2023 ("CB 6") matured and the principal amount of RMB5,141,596 (equivalent to USD716,000) was reclassified as borrowing. On the same date, the Company and CB 6 holder signed a loan agreement on the principal amount of USD716,000, which carried fixed interest of 6% per annum, unsecured and wholly repayable on 9 January 2025.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. CAPITAL COMMITMENTS

At the end of the reporting periods, the Group had the following capital commitment:

| | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
|---|---|---|
| Contracted but not provided for: | | |
| - Capital contribution to subsidiaries | 11,856,000 | 11,856,000 |
| - Capital contribution to other investments | 1,500,000 | 1,500,000 |
| | 13,356,000 | 13,356,000 |

19. MATERIAL RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in these condensed consolidated financial statements, the Group has entered into the following material related party transactions during the period.

a) Transactions with key management personnel

All members of key management personnel are the Directors. The remuneration paid to them during the period were disclosed in Note 10 to the condensed consolidated financial statements.

b) Transactions with other related parties:

| Name of related party | Nature of transaction | Relationship | Six months ended 30 September | |
|--|--|---------------|----------------------------------|----------------------------|
| | | | 2024 RMB (Unaudited) | 2023 RMB (Unaudited) |
| Ms. Ling | Interest paid (Note (c)(ii)) | Related party | 48,131 | 191,375 |
| | Financial guarantee fee (Note (c)(iii)) | | 142,373 | 37,108 |
| IPP | Technical service fee expense | Associate | - | 575 |
| | Purchase of point-of-sale machines | | 27,080 | 25,575 |
| Shenzhen Bozhong Communications Technology Company Limited ("Shenzhen Bozhong") * (深圳市伯仲通信技术有限公司) | Technical services fee expenses (Note (c)(iv)) | Related party | | |
| | | | 116,674 | 716,283 |

The transactions were conducted at terms and conditions mutually agreed between the relevant parties. The Directors are of the opinion that these related party transactions were conducted in the ordinary course of business of the Group.

* The English name is for identification only

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

19. MATERIAL RELATED PARTY TRANSACTIONS - Continued

c) The Group had the following material balances with related parties:

| Name of related party | Notes | As at 30 September 2024 RMB (Unaudited) | As at 31 March 2024 RMB (Audited) |
|--|--------------|---|---|
| Amounts due to a director: - Mr. Xiong Qiang | (i) | (117,176) | (78,956) |
| Amount due from a related company: - Shenzhen Bozhong | (i),(iv)&(v) | - | 15,575 |
| Other borrowing: - Ms. Ling | (ii) | (1,600,000) | (1,600,000) |
| Amount due to a related party: - Mr. Ling Song | (i) &(iv) | (109,808) | (109,808) |
| Amount due to a former director: - Mr. Chow Ki Shui Louie | (i) &(vi) | (1,401,354) | (1,401,354) |

Notes:

- (i) The amounts are unsecured, interest free and repayable on demand.
- (ii) On 9 June 2023, Ms. Ling, the wife of Mr. Xiong Qiang provided a long-term loan of RMB11,100,000 to the Company, of which all have been used to settle the existing convertible bond. Pursuant to the loan agreement ("Loan Agreement") dated 9 June 2023, the borrowing from Ms. Ling is unsecured, carried interest rate at 6% per annum and is repayable in 5 years by installments. The Group has outstanding borrowing of RMB1,600,000 as at 30 September 2024 and 31 March 2024.
- (iii) In addition to the Loan Agreement, Ms. Ling agreed to provide a personal guarantee to all the loan facilities of the Group from Bank of Beijing and China Guangfa Bank. Ms. Ling charged the guarantee fee at 2% per annum according to the guaranteed amount during the six months ended 30 September 2024 and the year ended 31 March 2024.
- (iv) Mr. Ling Song is a supervisor of 深圳市淘淘谷電子商務有限公司, a subsidiary of the Company. He is also the director and major shareholder of Shenzhen Bozhong and is a close family member of a director of the Company. The maximum outstanding balance of amount due from a related company is RMB15,575 during the six months ended 30 September 2024 (during the year ended 31 March 2024: RMB601,978).
- (v) The amounts represent the balance net of allowance for credit losses.
- (vi) Mr. Chow Ki Shui Louie resigned as Company's director on 27 March 2023.

Notes to the Condensed Consolidated Financial Statements For the six months ended 30 September 2024

20. LOSS ON ASSET

As disclosed in the Company's announcements dated 12 August 2022, the Company has discovered that the cashier of a subsidiary of the Company (the "Cashier"), is suspected to have misappropriated certain funds of the Group. The Company conducted a detailed review of its banking records to ascertain the extent of the misappropriation of the Group's funds by the Cashier. Based on such records obtained by the Company and its internal assessment, the Company believes that an aggregate amount of up to approximately RMB13,436,000 has been misappropriated by the Cashier.

On 12 August 2022, the Company had commenced criminal proceeding in the People's Court of Nanshan District of Shenzhen (the "Nanshan Court") against the Cashier for the misappropriation of cash. On 31 December 2022, the Nanshan Court issued a criminal judgment on the lawsuit, ruling that the Cashier should compensate the Company for the loss of RMB13,197,117 and should be jailed for 6 years.

On 23 September 2023, the Company commenced civil proceedings in the People's Court of Luo Hu District of Shenzhen (the "Luo Hu Court") against the spouse of the Cashier for assisting on money laundering amounting to RMB3,461,704. At 30 September 2024 and up to the date of this report, the civil proceedings are still in progress.

On 29 July 2024, the Company commenced civil proceedings in the People's Court of Huidong County of Guangdong Province against 10 corresponding respondents of the Cashier for assisting on money laundering amounting to RMB9,736,013. At 30 September 2024 and up to the date of this report, the civil proceedings are still in progress.

CORPORATE DIRECTORY

PRINCIPAL PLACE OF BUSINESS IN THE PRC

1701, Block B2, No.15 KeYuan Road, KeXing Science Park
NanShan District, Shenzhen, 518000
People's Republic of China

REGISTERED OFFICE, PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

1806, Gala Place, 56 Dundas Street
Mongkok, Kowloon
Hong Kong

REPRESENTATIVE OFFICE IN AUSTRALIA

Investorlink Group Limited
Level 26, 56 Pitt Street
Sydney NSW 2000
Australia

BOARD OF DIRECTORS

Executive Directors

XIONG Qiang (President & Chief Executive Officer)
GAO Qiuju (Vice President & Deputy Chief Executive Officer)

Non-Executive Directors

RYAN Christopher John (Independent Chairman)
HONG Yu Peng

COMPANY SECRETARIES

GAO Qiuju

AUDITOR

Asian Alliance (HK) CPA Limited

AUDIT AND RISK MANAGEMENT COMMITTEE

RYAN Christopher John (Chairman of Committee)
HONG Yu Peng (Non-Executive Director)

NOMINATION AND REMUNERATION COMMITTEE

RYAN Christopher John (Chairman of Committee)
XIONG Qiang (President & Chief Executive Officer)
GAO Qiuju (Vice President & Deputy Chief Executive Officer)
HONG Yu Peng (Non-Executive Director)

AUSTRALIA BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
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