

2024



INTERIM REPORT



Fortune

Happiness

Health

Luck

Responsibility

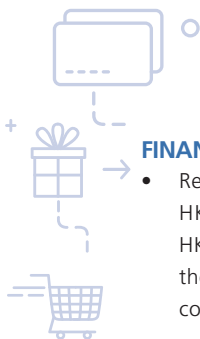
CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



FINANCIAL HIGHLIGHTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2024

- Revenue of the Group for the Six-Month Period amounted to approximately HK\$271.4 million (Six months ended September 30, 2023: approximately HK\$277.8 million), representing a decrease of approximately 2.3% compared to the six months ended September 30, 2023. For the Six-Month Period, revenue contributions were mainly derived from the following businesses:

a) *Electronic payment and related businesses (including local consumer services and payment-related hardware supply)*

The decrease in revenue by approximately HK\$25.6 million to approximately HK\$138.2 million for the Six-Month Period (Six months ended September 30, 2023: approximately HK\$163.8 million) was mainly due to the decrease in tourists' spending in Macau and the fact that the living subsidy under the 2022 Electronic Consumption Benefits Plan came to an end in June 2023.

b) *Banking business*

The revenue of Ant Bank (Macao) of approximately HK\$6.8 million has been consolidated into the Group's from September 2, 2024 (being the date of completion of the attainment of a controlling stake in Ant Bank (Macao) by the Group). It mainly included interest income derived from loans to individuals and corporate customers, placements with banks and monetary bills with AMCM of approximately HK\$5.4 million and fee and commission income (derived from securities investment services, insurance agency services and account services) of approximately HK\$0.5 million.



c) *Lottery business*

The increase in revenue by approximately HK\$12.4 million to approximately HK\$126.4 million for the Six-Month Period (Six months ended September 30, 2023: approximately HK\$114.0 million) was mainly due to the increase in revenue from the sales of lottery hardware by approximately HK\$18.9 million as a result of the increase in lottery hardware tenders awarded and their deliveries; which was partially offset by the decrease in revenue from the provision of lottery distribution and ancillary services by approximately HK\$6.0 million as a result of the shortages in the allocation and supply of instant scratch tickets in multiple provinces in the PRC.

- Operating loss for the Six-Month Period was approximately HK\$28.9 million (Six months ended September 30, 2023: approximately HK\$38.5 million). The decrease in operating loss was mainly due to a combination of factors: (i) the decrease in total revenue (partially offset by the related costs and expenses) of the Group as mentioned above; (ii) the decrease in other operating expenses of the Group by approximately HK\$15.1 million to approximately HK\$131.3 million for the Six-Month Period (Six months ended September 30, 2023: approximately HK\$146.4 million); and (iii) the decrease in net other losses by approximately HK\$14.9 million mainly due to a reduction of foreign exchange loss as a result of the stabilization of the depreciation of Renminbi against Hong Kong dollars; and partially offset by the increase in employee benefits expenses by approximately HK\$14.7 million to approximately HK\$97.4 million for the Six-Month Period.
- The loss for the Six-Month Period was approximately HK\$1.6 million (Six months ended September 30, 2023: loss of approximately HK\$10.5 million). The decrease in loss was primarily due to the above-mentioned factors for the decrease in operating loss. In addition, there was a fair value gain on convertible term loan facilities provided by the Group to its 45%-owned joint venture company in India of approximately HK\$3.1 million for the Six-Month Period (Six months ended September 30, 2023: fair value loss of approximately HK\$0.3 million).
- The Board does not recommend the payment of an interim dividend for the Six-Month Period.

INTERIM RESULTS

The Board announces the unaudited consolidated interim results of the Group for the six months ended September 30, 2024 (the “**Six-Month Period**”), together with the unaudited comparative figures for the corresponding periods in the preceding financial year as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)***For the six months ended September 30, 2024*

		Six months ended September 30, 2024	2023
	Notes	HK\$'000	HK\$'000
Revenue	2	271,394	277,784
– Revenue from electronic payment and related businesses, banking business (other than interest income derived from banking business) and lottery business		265,989	277,784
– Interest income derived from banking business		5,405	–
Other income		3,084	4,918
Net other losses		(813)	(15,759)
Employee benefits expenses		(97,444)	(82,747)
Purchases of and changes in inventories		(43,501)	(40,900)
Interest expense incurred from banking business		(3,273)	–
Depreciation and amortization expenses		(27,059)	(35,347)
Other operating expenses	3	(131,294)	(146,423)
Operating loss		(28,906)	(38,474)
Gain/(loss) on fair value changes of financial assets		3,089	(283)
Finance income		24,945	26,057
Finance costs		(1,373)	(1,028)
Loss before income tax		(2,245)	(13,728)
Income tax credit	4	624	3,256
Loss for the period	5	(1,621)	(10,472)



		Six months ended September 30,	
		2024	2023
	Notes	HK\$'000	HK\$'000
Other comprehensive			
income/(loss), net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		16,790	(39,282)
Other comprehensive income/(loss) for the period, net of tax		16,790	(39,282)
Total comprehensive income/(loss) for the period		15,169	(49,754)
(Loss)/profit attributable to:			
Owners of the company		1,972	(8,698)
Non-controlling interests		(3,593)	(1,774)
		(1,621)	(10,472)
Total comprehensive income/(loss) attributable to:			
Owners of the company		18,697	(47,725)
Non-controlling interests		(3,528)	(2,029)
		15,169	(49,754)
Earning/(loss) per share			
Basic	6	HK0.017 cent	(HK0.076 cent)
Diluted	6	HK0.017 cent	(HK0.076 cent)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

		Unaudited As at September 30, 2024	Audited As at March 31, 2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		33,480	30,274
Right-of-use assets		78,368	61,481
Investment property		30,268	29,686
Goodwill		1,554,825	1,466,568
Other intangible assets		319,510	303,908
Deferred income tax assets		7,314	8,041
Investments accounted for using equity method		–	–
Financial assets at fair value through profit or loss	10	84,999	81,910
Other receivables, deposits and prepayments		24,410	16,224
		2,133,174	1,998,092
Current assets			
Inventories		41,314	20,786
Trade receivables	7	24,987	20,165
Other receivables, deposits and prepayments		152,499	316,643
Loans and advances to customers		196,181	–
Monetary bills with AMCM		1,185,076	–
Cash and bank balances	8	1,445,261	1,373,974
Deposits with AMCM		43,565	–
		3,088,883	1,731,568
Total assets		5,222,057	3,729,660



		Unaudited As at September 30, 2024 HK\$'000	Audited As at March 31, 2024 HK\$'000
	Notes		
Current liabilities			
Trade payables	9	28,525	21,835
Accruals and other payables		295,619	433,900
Floats balance due to card or account holders		482,986	456,168
Deposits from customers		1,383,869	–
Contract liabilities		22,985	12,281
Card deposits due to cardholders		13,891	14,073
Lease liabilities		15,561	11,864
Current income tax liabilities		118	2
		2,243,554	950,123
Non-current liabilities			
Deferred income tax liabilities		42,232	40,156
Provision for warranties		35,334	30,765
Lease liabilities		67,164	53,269
Accruals and other payables		2,977	2,533
		147,707	126,723
Total Liabilities		2,391,261	1,076,846
Net Assets		2,830,796	2,652,814
Equity			
Share capital		23,344	23,344
Reserves attributable to owners of the Company		2,640,883	2,624,240
		2,664,227	2,647,584
Non-controlling interests		166,569	5,230
Total equity		2,830,796	2,652,814

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Six-Month Period

	Attributable to owners of the Company										Attributable to non-controlling interests	Total	
	Share capital HK\$'000	Share premium HK\$'000	Shares held for share award scheme HK\$'000	Share awards reserve HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Contributed surplus HK\$'000	Property revaluation reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000			Subtotal HK\$'000
Balance at April 1, 2024	23,344	3,399,019	(126,102)	13,593	22,382	46,877	47,191	14,402	45,404	(838,526)	2,647,584	5,230	2,652,814
Loss for the period	-	-	-	-	-	-	-	-	-	1,972	1,972	(3,593)	(1,621)
Other comprehensive income(loss) for the period	-	-	-	-	-	16,725	-	-	-	-	16,725	65	16,790
Total comprehensive income(loss) for the period	-	-	-	-	-	16,725	-	-	-	1,972	18,697	(3,528)	15,169
Recognition of equity settled share-based payments	-	-	-	(1,596)	-	-	-	-	-	-	(1,596)	-	(1,596)
Transfer of shares upon vesting of share awards under share award scheme	-	-	10,212	(6,777)	-	-	-	-	-	(3,435)	-	-	-
Recognition of non-controlling interests from acquisition	-	-	-	-	-	-	-	-	-	-	-	164,866	164,866
Value of employee services provided in relation to share-based compensation with ultimate holding company	-	-	-	-	-	-	-	-	(457)	-	(457)	-	(457)
Balance at September 30, 2024	23,344	3,399,019	(115,890)	5,220	22,382	63,602	47,191	14,402	44,947	(839,989)	2,664,228	166,568	2,830,796
Balance at April 1, 2023	23,344	3,397,977	(132,782)	17,926	22,382	77,945	47,191	14,402	44,406	(833,789)	2,679,002	31,501	2,710,503
Loss for the period	-	-	-	-	-	-	-	-	-	(8,698)	(8,698)	(1,774)	(10,472)
Other comprehensive loss for the period	-	-	-	-	-	(39,027)	-	-	-	-	(39,027)	(255)	(39,282)
Total comprehensive loss for the period	-	-	-	-	-	(39,027)	-	-	-	(8,698)	(47,725)	(2,029)	(49,754)
Recognition of equity settled share-based payments	-	-	-	5,050	-	-	-	-	-	-	5,050	-	5,050
Transfer of shares upon vesting of share awards under share award scheme	-	(766)	5,874	(5,108)	-	-	-	-	-	-	-	-	-
Return of capital to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(24,610)	(24,610)
Value of employee services provided in relation to share-based compensation with ultimate holding company	-	-	-	-	-	-	-	-	396	-	396	-	396
Balance at September 30, 2023	23,344	3,397,211	(126,908)	17,868	22,382	38,918	47,191	14,402	44,802	(842,487)	2,636,723	4,862	2,641,585



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the Six-Month Period

	Six months ended September 30,	
	2024	2023
	(unaudited)	(unaudited)
Note	HK\$'000	HK\$'000
Net cash generated from/(used in) operating activities	186,443	(810,692)
Net cash used in investing activities	(87,916)	(192,878)
Net cash used in financing activities	(7,504)	(35,202)
Net increase/(decrease) in cash and cash equivalents	91,023	(1,038,772)
Cash and cash equivalents at the beginning of the period	1,165,914	2,114,197
Effect of foreign exchange rate changes	4,591	(1,165)
Cash and cash equivalents at the end of the period	8 1,261,528	1,074,260



Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and disclosure requirements of GEM Listing Rules.

The consolidated financial statements have not been audited by the Company’s auditors, but have been reviewed and commented on by the Company’s audit committee. The accounting policies applied and significant judgements made by management in applying the Group’s accounting policies are consistent with those of the Group’s annual financial statements for the fifteen months ended March 31, 2024, except for the adoption of new or revised standards, amendments and interpretations which are relevant to the operations of the Group and mandatory for annual periods beginning April 1, 2024.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (the “**new and revised HKFRS**”). The adoption of new and revised HKFRS that are first effective for the current accounting period does not have a material impact on the Group’s results of operations or financial position. The Group has not early adopted the new and revised HKFRS that have been issued but are not yet effective, as the Group is in the process of assessing the impact of these new and revised HKFRS on the financial performance and financial position of the Group.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable from electronic payment business in Macau (including provision of payment card services and ancillary services, e-wallet services and acquiring services for merchants), banking business in Macau (including provision of digital banking services for individuals and SMEs, internet securities investment services and insurance agency services), lottery business in Chinese Mainland (including lottery hardware sales and related after-sales services, and lottery distribution through physical channels and ancillary services), local consumer services business in Macau and Chinese Mainland (including lifestyle, games and entertainment, marketing technical services and e-commerce), payment-related hardware sales and lease income of lottery hardware, payment terminals and equipment in Chinese Mainland and Macau and is analyzed as follows:



	Six months ended September 30,	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Electronic payment services:		
(a) payment card services and ancillary services	27,801	39,693
(b) e-wallet services	49,427	45,683
(c) acquiring services for merchants	52,305	68,388
	129,533	153,764
Banking Services:		
(a) digital banking services for individuals and SMEs (including deposits, loans, transfers and cross-border remittances, cross-border e-commerce/supply chain financing, wealth management, etc.)	6,469	—
(b) internet securities investment services	230	—
(c) insurance agency services	114	—
	6,813	—
Lottery:		
(a) lottery hardware sales	88,347	69,415
(b) lottery distribution through physical channels and ancillary services	37,994	44,013
	126,341	113,428
Local consumer services:		
Lifestyle, games and entertainment, marketing technical services and e-commerce	5,320	7,274
Payment-related hardware sales	1,204	628
Subtotal	269,211	275,094
Lease income of lottery hardware, payment terminals and equipment	2,183	2,690
Total	271,394	277,784



Segment Information

The executive Directors have been identified as the chief operating decision maker (“**CODM**”). The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources.

The segment information reported externally is analyzed on the basis of the composition of its reporting segments by line of businesses, which are (i) Electronic payment and related businesses; (ii) Banking business; (iii) Lottery business; respectively. The CODM is of the view that the presentation of the operating segment information reflects the Group’s operations and this is consistent with the internal information regularly reviewed by the CODM for the purposes of resources allocation and assessment of performance.

Principal activities of the Group’s reportable segments are as follows:

Electronic payment and related businesses – provision of payment card services and ancillary services; provision of e-wallet services; provision of acquiring services for merchants; local consumer services; sale and leasing of payment terminals and equipment primarily in Macau; and other related services.

Banking business – provision of digital banking services for individuals and SMEs (including deposits, loans, transfers and cross-border remittances, cross-border e-commerce/supply chain financing, wealth management, etc.); internet securities investment services; and insurance agency services in Macau; and other related services.

Lottery business – sales and leasing of lottery hardware (including provision of related after-sale services), provision of lottery distribution and ancillary services in Chinese Mainland; and other related services.

Segment results represent the profit earned or loss incurred by each segment without allocation of results attributable to finance income, finance cost, income tax, depreciation and amortization expenses, net other gains/losses, gain or loss on fair value changes of financial assets at fair value through profit or loss, unallocated other income and unallocated expenses (the “**Segment Results**”). Unallocated expenses mainly include corporate and head office expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.



Information regarding the above reportable segments is reported as below:

(a) Segment revenue and results

	Electronic payment and related businesses		Banking business		Lottery business		Total	
	Six months ended September 30,		Six months ended September 30,		Six months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
Recognized at a point in time	131,786	154,884	1,408	-	88,347	69,467	221,541	224,351
Recognized over time	4,257	6,604	-	-	38,008	44,139	42,265	50,743
Interest income derived from banking business	-	-	5,405	-	-	-	5,405	-
Lease income of lottery hardware, payment terminals and equipment	2,183	2,319	-	-	-	371	2,183	2,690
Total revenue	138,226	163,807	6,813	-	126,355	113,977	271,394	277,784
Segment Results	(15,027)	11,183	(5,410)	-	31,575	18,017	11,138	29,200
Finance income							24,945	26,057
Finance cost							(1,373)	(1,028)
Depreciation and amortization expenses							(27,059)	(35,347)
Net other losses							(813)	(15,759)
Gain/(loss) on fair value changes of financial assets at fair value through profit or loss							3,089	(283)
Unallocated other income							1,694	1,684
Unallocated expenses							(13,866)	(18,252)
Loss before income tax							(2,245)	(13,728)

Note 1: For the Six-Month Period, segment results included net interest income for banking business of approximately HK\$2,132,000 calculated as interest income derived from banking business less interest expense incurred from banking business.

(b) Segment assets and liabilities

There was no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

(c) Geographical information

The Group's operations are mainly located in Chinese Mainland and Macau.

The Group's revenue from external customers by location of operations and information about its non-current assets* by location of assets are detailed below:

	Revenue from external customers		Non-current assets*	
	Six months ended		As at	
	September 30, 2024	2023	September 30, 2024	March 31, 2024
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(audited) HK\$'000
Chinese Mainland	126,332	113,977	1,122,675	1,106,213
Macau	145,039	163,807	914,083	796,723
Hong Kong	–	–	4,103	5,205
Others	23	–	–	–
	271,394	277,784	2,040,861	1,908,141

* Non-current assets represent non-current assets other than financial assets at fair value through profit or loss and deferred income tax assets.



3. OTHER OPERATING EXPENSES

	Six months ended September 30,	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Transaction service fees	38,950	51,108
Handling fees (for stored value payment card top-up services)	14,847	14,737
Distribution expenses	28,833	34,264
Marketing expenses	4,246	4,226
Customer loyalty programme related expenses	2,110	4,951
Technology service fees	6,515	5,027
Provision for warranties	6,991	5,542
Fee and commission expense for banking services	506	–
Information service fee	703	–
Legal and professional fees	4,321	4,539
Management and administrative service fees paid/payable to fellow subsidiaries	1,465	2,167
Outsource expense	1,494	293
Rent, rates & property management fees	2,109	1,830
Telecommunication and postage	1,889	1,791
Repair and maintenance	1,056	1,380
Office expenses	2,544	2,842
Travel and transportation expenses	2,948	3,226
Auditor's remuneration	1,050	1,355
Others	8,717	7,145
	131,294	146,423

4. INCOME TAX CREDIT

Income tax credit for the Six-Month Period represent PRC Enterprise Income Tax, Macau complementary tax and deferred income tax.

5. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging/(crediting):

	Six months ended September 30, 2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
(Reversal of share-based payments)/share-based payments	(1,295)	6,282
Finance income		
– Interest income on bank deposits	24,945	25,123

6. EARNING/(LOSS) PER SHARE

(a) Basic

Basic earning or loss per Share is calculated by dividing the unaudited profit attributable to owners of the Company for the Six-Month Period of approximately HK\$1,972,000 (for the six months ended September 30, 2023: loss of approximately HK\$8,698,000) by the weighted average number of ordinary Shares outstanding during the Six-Month Period of approximately 11,672,342,000 Shares (for the six months ended September 30, 2023: approximately 11,672,342,000 Shares) and excluding the weighted average number of Shares held for the Share Award Scheme of approximately 234,105,000 Shares (for the six months ended September 30, 2023: approximately 253,159,000 Shares).

(b) Diluted

Diluted earning or loss per Share is calculated by adjusting the weighted average number of ordinary Shares outstanding to assume conversion of all dilutive potential ordinary Shares. The Company has one category of dilutive potential ordinary Shares: Share awards. For the Share awards, a calculation is done to determine the number of Shares that could have been acquired at fair value (determined as the average market share price of the Shares) based on the monetary value of the subscription rights attached to the outstanding Share awards.

For the Six-Month Period, diluted earning per Share is calculated by dividing the unaudited profit attributable to owners of the Company of approximately HK\$1,972,000 by the adjusted weighted average number of ordinary Shares of approximately 11,497,608,000 Shares.

For the six months ended September 30, 2023, the computation of the diluted loss per Share does not assume the vesting of the outstanding Share awards, as they would decrease the diluted loss per Share.



7. TRADE RECEIVABLES

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
Trade receivables	25,047	20,225
Loss allowance	(60)	(60)
	24,987	20,165

Ageing analysis of trade receivables based on the date of the relevant invoice or demand note before loss allowance was as follows:

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
0 to 30 days	23,243	17,993
31 to 60 days	706	784
61 to 90 days	119	218
91 to 120 days	218	602
121 to 365 days	761	416
Over 365 days	–	212
	25,047	20,225

8. CASH AND BANK BALANCES

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
Cash and balances with banks (<i>Note</i>)	1,086,080	1,165,914
Placements with banks		
– with original maturity of three months or less	153,744	–
– with original maturity over three months	70,547	–
Fixed deposits held at bank with original maturity over three months	127,699	201,439
Pledged bank deposits	2,130	1,560
Restricted cash	5,061	5,061
	1,445,261	1,373,974

Note: Cash and balances with banks comprised cash in hand, deposits held at call with bank, other short-term liquid investments with original maturities of three months or less.

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
Cash and cash equivalents comprise:		
– Cash and balances with banks	1,086,080	1,165,914
– Placements with banks with original maturity of three months or less	153,744	–
– Deposits with AMCM	43,565	–
– Less: minimum deposit balance with AMCM*	(21,861)	–
	1,261,528	1,165,914

* According to the statutory requirement in Macau, Ant Bank (Macao) is required to maintain minimum balance in its current accounts in MOP with AMCM in compliance with liquidity rules.



9. TRADE PAYABLES

Ageing analysis of the trade payables based on invoice date was as follows:

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
0 to 30 days	26,445	17,532
31 to 60 days	148	563
61 to 90 days	313	–
91 to 120 days	11	167
121 to 365 days	296	1,368
Over 365 days	1,312	2,205
	28,525	21,835

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
Convertible term loans	84,999	81,910

As at September 30, 2024, financial assets at fair value through profit or loss in the sum of approximately HK\$85.0 million represents the convertible term loan facilities in the maximum amount of INR1,319.4 million (or approximately HK\$137.3 million) which had been provided by the Group to, and fully utilized by, its joint venture company in India, First Games Technology Private Limited (the “JV”). A fair value gain of such financial assets of approximately HK\$3.1 million was recognized for the Six-Month Period (for the six months ended September 30, 2023: fair value loss of approximately HK\$0.3 million).

The convertible term loans are unsecured and are repayable on the dates falling after 60 months from the respective dates of their utilization (the “**Final Repayment Dates**”) or can be converted into fully paid up shares of the JV either at the option of the Group (upon the occurrence of an event of default by the JV under the facility) or otherwise by mutual agreement among the JV, One97 Communications Limited (“**One97**”) and the Group. The conversion price per share of the JV shall be equal to or higher than the fair market value per share of the JV subject to applicable law and to be determined by a qualified merchant banker, chartered accountant or practicing cost accountant mutually appointed by the JV and the Group in accordance with internationally acceptable pricing methodology for valuation on arm’s length basis.

Valuation technique

The convertible term loans are treated as financial assets at fair value through profit or loss of the Group and are subject to fair value measurement (determined by discounting the contractual cash flows (the principal amount and all periodic interests) over the contractual term of the convertible term loans at discount rates with reference to the yield of comparable bonds adjusted for specific loan market.

Information about fair value measurement using significant unobservable inputs (level 3) – convertible term loans

As at September 30, 2024

Description	Fair value (HK\$'000)	Valuation technique	Unobservable Inputs	Range (Weighted average)	Relationship of unobservable inputs to fair value
Convertible term loans	84,999 (as at March 31, 2024: 81,910)	Discounted cash flow	Discount rate	42.26% to 42.67% (as at March 31, 2024: 35.26% to 35.46%)	The higher the discount rate, the lower the fair value

As the convertible term loans are accounted for as financial assets at fair value through profit or loss of the Group and are subject to fair value measurement by way of the valuation technique mentioned above, no interests on the convertible term loans will be accrued or recognized by the Group during their tenure. However, in the event that the Group does not elect to exercise its right to convert all or any part of the convertible term loans into shares of the JV on or before the Final Repayment Dates, the JV shall repay the unpaid interests (calculated at the rate of 8% per annum) and the outstanding principal amounts of the convertible term loans on the respective Final Repayment Dates.

11. BUSINESS COMBINATION

On September 2, 2024, the Group completed the attainment of the controlling stake in Ant Bank (Macao) and holds approximately 51.5% of the issued share capital of Ant Bank (Macao), which has become an indirect non-wholly owned subsidiary of the Company. The results of Ant Bank (Macao) have been consolidated into the Group's since then. Ant Bank (Macao) is principally engaged in banking services in Macau, including (i) the provision of digital banking services for individuals and SMEs (including deposits, loans, transfers and cross-border remittances, cross-border e-commerce/supply chain financing, wealth management, etc.); (ii) the provision of internet securities investment services; and (iii) the provision of insurance agency services.

Acquisition-related costs amounting to approximately HK\$2,294,000 have been excluded from the consideration transferred and have been recognized directly as an expense for the Six-Month Period within the "other operating expenses" line item in the consolidated statement of profit or loss and other comprehensive income of the Group.



Total considerations transferred:

	<i>HK\$'000</i>
Consideration:	
– Cash consideration	129,320
– Capital contribution	145,631
Fair value of the consideration	274,951

The assets and liabilities recognized as a result of the acquisition are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	343
Right-of-use assets	14,268
Trade and other receivables	46,854
Loans and advances to customers	173,917
Cash and bank balances	453,488
Monetary bills with AMCM	845,458
Deposits with AMCM	36,516
Trade and other payables	(57,000)
Deposits from customers	(1,159,641)
Lease liabilities	(14,268)

Carrying amount of identifiable net assets of Ant Bank (Macao)	339,935
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Goodwill arising on acquisition:

Fair value of the consideration	274,951
Less: Net identifiable assets acquired	
Carrying amount of identifiable net assets of Ant Bank (Macao)	
held by the Group (approximately 51.5% of issued share capital of Ant Bank (Macao))	(175,067)
Fair value adjustments on	
– Core customer deposit intangible	(28,350)
Recognition of deferred tax liabilities arising from the fair value adjustments	3,402

Goodwill	74,936
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Net cash outflow/(inflow) arising on acquisition:

Consideration paid in cash	129,320
Capital contribution	145,631
Less: cash and cash equivalents acquired	(398,728)
	(123,777)



The goodwill is attributable to (i) the synergy between the electronic payment business of the Group in Macau with the digital banking businesses (e.g. deposits, credit loans and cross-border remittance) of Ant Bank (Macao) to connect scenarios and resources of the ecosystem with payment plus inclusive finance to meet the consumption and financing needs of Macau residents and small and medium-sized merchants; and (ii) synergy with different business units of the Group such as lifestyle, cultural and entertainment and e-commerce businesses with the resources of the ecosystems of the Alibaba Group and the Ant Group. None of the goodwill is expected to be deductible for tax purpose.

The acquired Ant Bank (Macao) contributed revenue of approximately HK\$6,813,000 and loss of approximately HK\$7,524,000 to the Group for the period from September 2, 2024 to September 30, 2024.

If the acquisition had been effected on April 1, 2024, the consolidated pro-forma revenue and loss for the period of the Group would have been approximately HK\$298,574,000 and approximately HK\$14,194,000 respectively. The aforesaid pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on April 1, 2024, nor is it intended to be a projection of future results.

12. RELATED PARTY TRANSACTIONS

(a) Sales of goods and services

	Six months ended September 30, 2024 (unaudited) HK\$'000	2023 (unaudited) HK\$'000
Revenue of electronic payment business		
from related parties	2,814	6,332
Revenue of lifestyle, games and entertainment and e-commerce business		
from fellow subsidiaries	82	187

**(b) Purchases of goods and services**

	Six months ended	
	September 30,	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Payment of service fees for electronic payment business to related parties	17,013	28,437
Recharge for operation of lottery distribution from fellow subsidiaries	36	2,801
Purchase of technology services from fellow subsidiaries	3,485	2,325
Purchase of technology services from related parties	3,837	1,209
Recharge for rental services from fellow subsidiaries	277	324
Recharge for management and administrative services from fellow subsidiaries	1,465	2,514
Purchase of marketing services for electronic payment business from related parties	–	630
Purchase of marketing services for lottery distribution business from a fellow subsidiary	–	54

(c) Key management compensation

The remuneration of the Directors (who are the key management personnel of the Group) during the period was as follows:

	Six months ended	
	September 30,	
	2024	2023
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	3,986	3,824
Share-based payments	732	1,687
Post-employment benefits	207	187
	4,925	5,698

(d) Loan to related parties

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
Loan to an associate, net of loss allowance*	–	38,732
Convertible term loans to a joint venture (Note 10)	84,999	81,910

- * As at September 30, 2024, the loan provided by the Group to a former associate, Star N Cloud Network Intelligence Company Limited ("Star N Cloud"), had been repaid in full by Star N Cloud upon completion of the disposal of a 30% stake in Star N Cloud by the Group on September 2, 2024.

(e) Amounts due from/(to) related parties

	As at September 30, 2024 (unaudited) HK\$'000	As at March 31, 2024 (audited) HK\$'000
Amounts due from fellow subsidiaries	1,895	1,706
Amount due from a joint venture	–	10,521
Amounts due from related parties	16,502	57,395
Amounts due to fellow subsidiaries	(49,168)	(45,962)
Amounts due to related parties	(30,755)	(10,674)



DIVIDEND

The Board does not recommend the payment of an interim dividend for the Six-Month Period (2023: Nil).

DISCUSSION AND ANALYSIS OF THE GROUP'S RESULTS AND BUSINESS ABOUT THE GROUP

AGTech was incorporated in Bermuda and its Shares are listed on GEM (Stock Code: 8279). The Company is also included as a constituent stock in the MSCI World Micro Cap Index. As a banking and comprehensive digital financial technology group, AGTech's core business covers banking services, electronic payment services, local consumer services, lottery business and payment-related hardware supply.

AGTech's businesses are broadly divided into five principal categories:

- (i) Banking services:
 - (a) digital banking services for individuals and SMEs (including deposits, loans, transfers and cross-border remittances, cross-border e-commerce/supply chain financing, wealth management, etc.);
 - (b) internet securities investment services;
 - (c) insurance agency services;
- (ii) Electronic payment services:
 - (a) payment card services and ancillary services;
 - (b) e-wallet services;
 - (c) acquiring services for merchants;
- (iii) Local consumer services: lifestyle, games and entertainment, marketing technical services and e-commerce;
- (iv) Lottery:
 - (a) lottery hardware sales;
 - (b) lottery distribution through physical channels and ancillary services; and
- (v) Payment-related hardware supply (including sales and leasing).

As a member of the Alibaba Group, the Group is the exclusive lottery platform of Alibaba Group and Ant Group. AGTech is an associate member of the World Lottery Association (WLA) and the Asia Pacific Lottery Association (APLA).

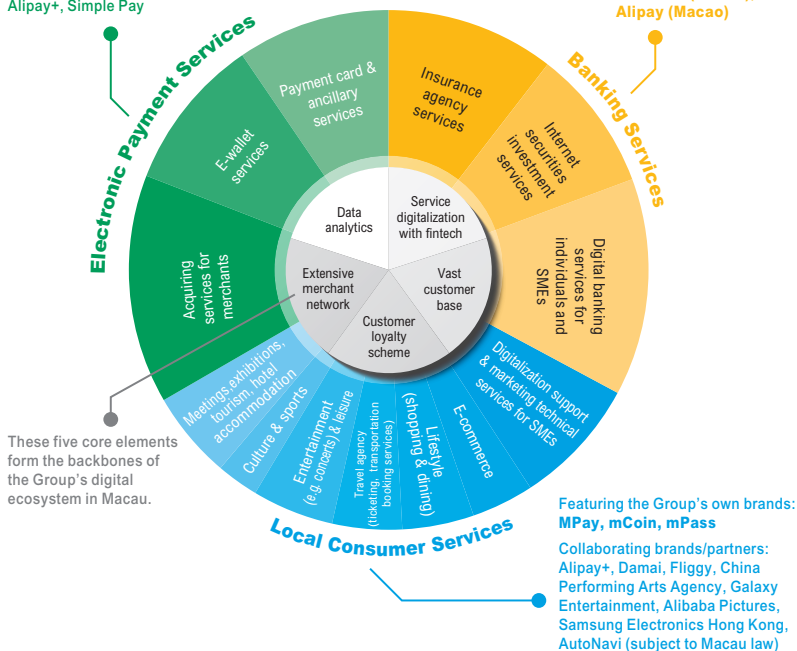
The Group's businesses in Macau have gradually evolved into a digital ecosystem (as outlined in the diagram below) that integrates banking services, electronic payment services and local consumer services.

Digital ecosystem of the Group's business segment in Macau

Featuring the Group's own brands: **mCard, MPay, Macau Pass**

Collaborating brands: Alipay+, Simple Pay

Featuring the Group's own brands: **Ant Bank (Macao), Alipay (Macao)**





CORPORATE STRATEGY AND OBJECTIVES

AGTech is committed to evolving its businesses, with an aim to become a global leading group in banking and integrated digital financial technologies, providing worldwide customers with diversified services including banking services, electronic payment services, local consumer services, lottery and payment-related hardware supply to cater for the needs of different markets.

Building on the past experiences in collaborating with several online or mobile shopping and payment platforms, the Group will strive to integrate its core competencies into its electronic payment services and local consumer services businesses in Macau and a broader territory, with a view to not only popularise mobile payment, but also facilitate the construction of smart cities by broadening its business coverage in complementary sectors including but not limited to banking, e-commerce, lifestyle, entertainment and advertising or marketing technical services.

The Group is further expanding its business into the field of banking services, with an aim to create synergies with the Group's existing lifestyle, culture and entertainment and e-commerce businesses by utilising the resources of the ecosystems in the Alibaba Group, connecting scenarios and resources of the ecosystem with payment plus inclusive finance to meet the consumption and financing needs of residents and SMEs and to support the digitization of financial services.

Looking forward, AGTech will continue to expand its business and deepen service scenarios to fulfill the increasingly diversified needs of users from the Greater Bay Area and around the world. We dedicate ourselves to becoming the link between the present and the future, tradition and innovation, as well as local and global communities, and to commencing a new chapter in financial services.



INDUSTRY OVERVIEW

Overview of Macau's Banking Industry

According to the 2024 Policy Address by the government of Macau, 2024 marks the first year of the implementation of the "1+4" moderate and diversified economic development strategy, with the modern financial services sector identified as a pivotal focus. The government is committed to driving innovation in financial technology, using technology to bolster the financial sector's development. It actively supports financial institutions to offer wide-range and accessible financial services for micro, small and medium-sized enterprises in Macau.

AMCM, in collaboration with the banking industry, is steadily advancing the establishment of a modern financial services system, gradually enriching financial formats and nurturing the financial ecosystem, further enhancing the financial sector's proportion within Macao's industrial structure. At the same time, financial institutions are encouraged to elevate the modernization level of financial services. In recent years, approvals have been granted for banks to introduce innovative services such as remote account opening, cross-border payments, smart counters, online loans, online cross-border remittances, and cash withdrawals without cards; insurance companies have also launched various online services.

The Macau Electronic Payment Market

The electronic payment market in Macau has continued to grow in recent years. According to the statistics of the AMCM, in the first eight months of this year, there were over 230 million transactions via local mobile payment platforms totaling MOP19.64 billion, marking an annual increase of 16% in the number of transactions and 4% in the total value. Compared to the year when "Simple Pay" was launched in 2021, the number of transactions increased by 89%, and the total value by 77%.

The growth in the mobile payment market in Macau can be attributed to the various support initiatives for electronic payment by the government of Macau, including

- (i) the launch of the "Simple Pay" service in 2021, which is an integrated payment system allowing merchants to accept various electronic payment methods through a single payment terminal or QR code. In 2023, the "Simple Pay" services were further extended to public buses in Macau, facilitating travel for tourists and residents. To date, "Simple Pay" has basically covered local offline retail scenarios;



- (ii) the launch of various rounds of electronic consumption incentives to boost local spending and help SMEs go digital. Earlier this year, the “Weekend Consumption Rewards in Northern District” engaged 1,255 businesses across industries with a 5x spending multiplier. Building on this momentum, the “Citywide Consumption Rewards” was launched in late September, expanding to all of Macau with over 22,000 participating businesses.

the launch of various rounds of “Electronic Consumption Benefits Plan” (in addition to the living subsidy in October 2022) during the COVID-19 pandemic to stimulate domestic demand and ease financial pressure faced by local residents and businesses; and

- (iii) AMCM’s promotion of the introduction of more overseas payment tools by local financial institutions for use by merchants in Macau in order to align with Macau’s strategic positioning as a “World Tourism and Leisure Center” and create a more convenient payment environment for tourists visiting Macau.

The Macau’s Tourism and Culture Markets

Macau is establishing itself as the World Centre of Tourism and Leisure. The Policy Framework for the Development of the Cultural Industry (2020-2024) by the government of Macau outlines key directions for the cultural industry development with its three major means of support, namely, cultural tourism, cultural trade, and cultural technology, aiming to extend and penetrate the value chain formed by the culture and tourism industries. Macau’s comprehensive tourism and leisure sector is steadily growing, and the government aims to create an integrated destination that combines elements such as cuisine, vacation, sightseeing, shopping, entertainment, culture, medical care and sports through the “tourism +” development model. This continuous enrichment contributes to Macau’s status as a World Tourism and Leisure Center.



→ In 2024, Macau attained the following remarkable achievements and growth drivers in its tourism:



- (i) *Tourists' satisfaction:* According to a study by the China Tourism Academy published in May 2024, Macau was ranked first as the most satisfactory destination for Chinese Mainland outbound tourists in the first quarter of 2024. This achievement can be attributed to the expansion of the Individual Visit Scheme (as further discussed below), allowing tourists from more Chinese Mainland cities to visit Macau, as well as the distribution of tourists' consumption coupons, easier customs clearance and processing of visas and the recently implemented policies allowing eligible Macau vehicles to travel to the Guangdong Province;
- (ii) *Robust recovery in tourism:* According to information from the Statistics and Census Service (DSEC), visitor arrivals increased by 30.1% year-on-year to 25,920,914 in the first three quarters of 2024, recovering to 85.8% of the number in the same period in 2019. As regards source of visitors, visitors from Chinese Mainland increased by 36.3% year-on-year to 18,217,413 in the first three quarters. Meanwhile, visitors from Hong Kong (5,402,071) and Taiwan (623,880) rose by 0.8% and 81.9% year-on-year respectively. International visitors soared by 95.1% year-on-year to 1,677,550 in the first three quarters this year. Moreover, visitors from Malaysia leapt by 136.4%. Regarding the South Asian markets, number of visitors from India surged by 133.6% year-on-year. With respect to the Northeast Asian markets, visitors from South Korea and Japan jumped by 207% and 102.6% year-on-year respectively. As regards long-haul markets, visitors from the USA recorded an uplift of 83.2% year-on-year; and



- (iii) *The PRC Government's policies and measures to benefit Macau:* This year, the PRC Government has announced a series of preferential measures for Macau, including: (a) Chinese Mainland visitors joining Hengqin-Macau tour groups will be allowed to make multiple trips between Hengqin and Macau within a seven-day period; (b) residents of 20 Chinese Mainland cities can renew travel documents such as passports and Macau passes online; (c) applications for business visa to Macau can be submitted at any public security bureau across the PRC, while the maximum length of stay in Macau will be extended from 7 days to 14 days; (d) visa policy for talent traveling to work in Macau is expanded from cities in the Greater Bay Area to include Beijing and Shanghai, and eligible talents can apply for multiple visas with validity periods ranging from one to five years; (e) Chinese Mainland residents can apply for a visa for multiple visits to Macau within a 12-month period to participate in exhibitions, seek medical treatment or engage in performing arts; and (f) expansion of the Individual Visit Scheme to cover 10 more Chinese Mainland cities, etc.

This year marks a double celebration, with a series of events planned for the 75th anniversary of the founding of the People's Republic of China and the 25th anniversary of Macau's return to the motherland. These include the 32nd Macao International Fireworks Display Contest, the 2024 World Tourism Day Tray Race, the Light Up Macao 2024, among others, promising a host of exciting spectacles. With a variety of promotional channels and diverse tourism incentive programs, Macau aims to attract more visitors to experience the "tourism+" elements, expand its customer base, and boost the tourism economy.



Local Consumer Services: Lifestyle, Games and Entertainment, Marketing Technical Services and E-commerce

Macau's digital adaption in the consumer sector, especially in the e-commerce space, has seen significant and continued growth in recent years. With the emergence of innovative marketing channels and platforms, digital technology and products are expected to further integrate with the life of consumers.

According to the Survey on Information Technology Usage in the Household Sector for 2023 published by the Statistics and Census Service of the government of Macau, 97.3% of the households in Macau are connected to the Internet, of which 98.8% are connected through mobile networks. 39.8% of Macau's Internet users have made online purchases, an increase of 16.5% year-on-year. The median total online shopping spending amount of households in Macau in the fourth quarter of 2023 was MOP1,500; and among the types of goods and services purchased online, the median spending on "travel services" increased by 2.5 times year-on-year to MOP5,000. In terms of payment methods for online shopping, 95.5% of online shoppers utilized "online payment platforms", no change from 2022.

In terms of the entertainment sector, performing arts economy has become a new mode of tourism and consumption in the city in recent years. Last year, more than 2,000 large-scale performances in Macau were organised by the government and private enterprises, with a total of more than 10,000 sessions of various arts and cultural activities and close to 20 million visits, and 1 million audience viewings for large-scale concerts organised by integrated resort enterprises, generating an economic value of approximately MOP 1.1 billion in terms of revenue.

Lottery

There are two legal lottery operators in the PRC: the Welfare Lottery and the Sports Lottery.

According to the data published by the MOF, during January to September 2024, PRC lottery sales amounted to approximately RMB468.985 billion, representing an increase of approximately 9.4% over the corresponding period in 2023. Of this, Welfare Lottery amounted to approximately RMB157.42 billion, representing an increase of approximately 8.9% compared to the corresponding period in 2023. Sports Lottery achieved sales of approximately RMB311.565 billion, representing an increase of approximately 9.7% compared to the corresponding period in 2023.



BUSINESS REVIEW

Banking Services

In September 2024, the Group completed the attainment of the controlling stake in Ant Bank (Macao), further expanding the business scope into the field of banking services. As a licensed commercial bank in Macau, Ant Bank (Macao) operates under the service philosophy of “making finance simpler, life easier, and Macau better.” It integrates Macau’s characteristics with financial technology, continuously exploring new areas and applications of fintech to provide customers with secure, inclusive, and convenient digital financial services.





In retail banking, Ant Bank (Macao) has achieved multiple innovations in the Macau market, satisfying the comprehensive financial needs in payment, deposit, wealth management and investment for various types of customers. For the Six-Month Period, the bank's customer base has grown substantially by approximately 33%, leading to a growth of approximately 142% in deposits, showing that our innovative banking services are well-received and trusted by the market, including:

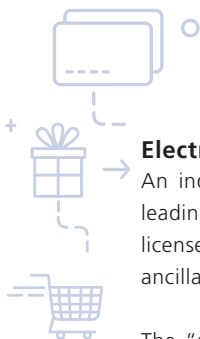
- Pioneered in introducing EKYC (Electronic Know Your Customer) technology in Macau, implementing electronic and online customer identity authentication;
- Introduced high-yield Libra Savings Accounts that combine flexible access with daily interest accrual;
- Streamlined transfer process, using technology to cut costs and offer quick, affordable transfers from Macau to the Chinese Mainland, with the first-ever T+0 (same-day) remittance services;
- Offered a fully online loan service, whereby customers simply need to apply online to receive speedy loan approval and release;
- Pioneered in offering Internet securities investment services (for stocks in Hong Kong and the United States of America); and
- In-depth cooperation with local payment institutions to launch embedded financial services deeply integrated with payment.



In corporate banking, Ant Bank (Macao) has continuously enhanced its services for local SMEs, providing credit support for businesses utilizing fintech solutions, and helped boost Macau's economic development. For the Six-Month Period, the balance of loans to corporate customers has seen a notable increase by approximately 193%.

- Pioneered in Macau to support EKYB (Electronic Know Your Business) account opening services, streamlined account-opening process for corporate clients and enhanced efficiency in business procedures, providing more convenient and efficient financial services;
- Offered multi-currency services to customers, realising easy currency conversion and settlement, effectively reducing exchange rate risks and improving the efficiency of fund utilization;
- Met global fund settlement needs of enterprises through convenient remittance products like SWIFT and FLC, supporting T+0 remittance services to over 30 countries and regions for efficient and secure fund flows; and
- Launched new model of data-driven cross-border e-commerce/cross-border supply chain finance.

With Macau's economy on the rebound and more tourists returning, Ant Bank (Macao) keeps offering innovative financial services to customers and businesses. In line with the Greater Bay Area's development and Macau's push for economic diversification, the bank will work closely with its shareholders and tap into national strategies. Ant Bank (Macao) will strive to launch more inclusive financial products and additional cross-border financial services to benefit residents and SMEs in the Greater Bay Area.



Electronic Payment Services

An indirect wholly-owned subsidiary of the Company, Macau Pass, is one of the leading payment service providers in Macau and is an “other financial institution” licensed under AMCM. It is principally engaged in contactless payment card and ancillary services, e-wallet services and acquiring services.

The “mCard” is the most common contactless smart card for payments in Macau. There are currently more than 5 million mCards in issuance. The mCard can be used for fare payments for buses and light rail transit, car parks, government services, retail consumption, food and beverage services and so on. The newly launched mCards and personalized mCards, starting from February 1, 2024, have added an NFC linkage feature for two-way top-up with MPay, making it convenient for the elderly, people with disabilities, and children. Family members can now directly use MPay to assist in topping up, eliminating the need to prepare change. During the Six-Month Period, various limited editions of mCards had been issued, such as:



- UEFA Euro 2024 mCard



- 520 Lover mCard



- The Air Macau x Macau Pass collaborative edition mCard (2024 Blind Box Purchase Version)



- World Heritage Site mCard



Serving as a comprehensive platform for digital life and financial services, MPay, the e-wallet operated by Macau Pass, supports online and offline payments covering different payment scenarios such as person-to-person transfer, telecommunication and utility bill payment, online ticketing, payment of car parking fees and payment of bus fares using QR code. At the beginning of 2024, MPay made the Macau public transit QR Code available to all five levels of MPay account users. This will enable those users (such as tourists) who are not willing to provide their personal information when registering their MPay accounts to also use the public transit QR Code to pay for their bus and light rail transit fares. During the Six-Month Period, the accumulated number of registered users of MPay increased by approximately 17%, and the total number of MPay e-wallet transactions accounted for about 80% of the total electronic payment transactions in Macau.

Through cooperation with Alipay+ Solution, MPay has officially become a payment partner of Taobao (Macao, China) to provide electronic payment services to its users. Residents in Macau and other registered users who are not Chinese Mainland residents can use MPay to make payments in Macau patacas directly when shopping online with Taobao (Macao, China).

Macau Pass has partnered with Alipay+ to expand the coverage of the cross-border payment business of MPay to more than 40 overseas countries including the United Arab Emirates, the United Kingdom, Switzerland, the European Economic Area countries (such as France, Germany and Italy), Australia, New Zealand, Qatar, Singapore, Malaysia, South Korea, Japan, the Philippines, Thailand and the United States of America. The expanded cross-border payment coverage of MPay will enhance the e-payment experience of MPay users when travelling overseas and diversify the Group's sources of revenue. Meanwhile, Macau residents, who are users of MPay with real name authentication, can use MPay in Chinese Mainland and Hong Kong. Through the collaboration with Alipay+, MPay has achieved global consumption capabilities, marking a solid step for Macau in enhancing the convenience of cross-border payment experiences. During the Six-Month Period, the number of MPay users who used cross-border payment service has increased by 89%.



In August 2024, the MPay cross-border service zone went online, providing Macau residents with one-stop digital services for payment, travel, dining, and handling cross-border business when they visit Chinese Mainland. As of September 30, 2024, around 30 mini-programs from Chinese Mainland have been integrated, covering dining and tea drinks, transportation, sharing and rental services, and information services. More convenient services are set to join soon.

To further enhance the user payment experience and meet the growing demand for local and cross-border payment scenarios, starting from September 20, 2024, MPay has significantly increased the transaction and transfer limits for users at the 3A, 3B, and JR levels. Notably, 3B level users now enjoy unlimited yearly transaction and transfer limits. The Group supplies integrated payment terminals and provides acquiring services to merchants which enable merchants to accept different payment methods of other payment service providers, including but not limited to the “Alipay” e-wallet, the “AlipayHK” e-wallet and Ant Bank (Macao)’s “Alipay (Macao)” e-wallet operated by the Alipay Entities and/or their affiliate(s), WeChat Pay and other e-wallets launched by certain other banks in Macau (collectively, the “**Other Payment Service Providers**”). The Group receives commission income (based on a percentage of the transaction value) from merchants for processing payment of the transactions and pays a portion of such commission (based on a percentage lower than the commission rate of the transaction value) as service fees to the Other Payment Service Providers.





Macau Pass provides acquiring services to Alipay+ partners' e-wallets such as GCash (the Philippines), Touch 'n Go eWallet (Malaysia), TrueMoney (Thailand), Tinaba (Italy), OCBC (Singapore), Changi Pay (Singapore), Public Bank (Malaysia), Toss Pay (South Korea), NAVER Pay (South Korea) and Hipay (Mongolia). This means, in addition to Alipay in Chinese Mainland, AlipayHK, WeChat Pay, Octopus (Hong Kong), Kakao Pay (South Korea) and other e-wallets launched by other banks in Macau, Macau Pass payment devices can now also accept payments from the aforesaid ten overseas e-wallets respectively. Through the cooperation with Alipay+, the innovative one-stop payment solution will accelerate the digital transformation of local merchants in Macau, create a connected international digital payment ecosystem for Macau, solve the problem of cross-border payment for international tourists, and help SMEs find new business growth opportunities.

In late April 2024, Macao's Transport Bureau announced that Alipay (Chinese Mainland), Alipay (Hong Kong) as well as UnionPay app users with its app linked to a non-local UnionPay card, can now travel on all public bus routes that run in every area of Macao by using the QR code through the service of Macau Pass; in September 2024, Macao's buses support the payment of bus fares using WeChat Pay.



Local Consumer Services Business

The Group assists merchants to attract customers, enhance brand exposure and increase online transactions. MPay launches promotions from time to time via the use of its e-wallet services, where users get random discounts or payment rebates, as well as win prizes and earn loyalty points, mCoins, for redemption of merchant coupons and other exclusive offers on its platform. mPass is the local lifestyle services platform under the Group, providing Macau residents and tourists from the Chinese Mainland and abroad with updates on promotional offers related to food, accommodation, shopping and entertainment.

The Group looks forward to interacting directly with the growing number of domestic and international consumers of the Alipay+ partners' e-wallets, exploring new business opportunities for Macau merchants to draw in more visitors to shop, thereby jointly driving business efficiency.

The Group also provides ticket sales and promotional support for live performances, concerts, cinemas, exhibitions and other entertainment, sports and cultural events. Providing marketing services and convenient payment experience are also beneficial for the Group to participate in the cultural and entertainment market. Under a strategic cooperation agreement between the Group, 銀河ICC及綜藝館有限公司 (Galaxy ICC & Arena Limited) (a subsidiary of Galaxy Entertainment Group Limited ("Galaxy")), 北京大麥文化傳媒發展有限公司 (Beijing Damai Cultural Media Development Co., Ltd.*) ("Damai") and Alibaba Pictures Group Limited ("Alibaba Pictures"), the parties have agreed to utilize their respective resources and experiences for the purpose of organizing Macau cultural and entertainment activities and promoting the development of the cultural and entertainment industry in Macau. By relying on the convenience and inclusive development of the electronic payment of Macau Pass, and the advantages of its experience in local marketing technical services in Macau, and by leveraging Galaxy's infrastructure and resources, Damai's leading online ticketing platform for live events in Chinese Mainland and Alibaba Pictures' internet-driven integrated platform for the entertainment industry to reach more customers and provide those customers with easy access to high-quality movies and/or events, it is beneficial to the Group's participation in the cultural and entertainment market in Macau and the development of its businesses in non-payment areas.

Macau Pass Travel Agency, as a subsidiary of Macau Pass Group, provides various sightseeing tours, customized travel services, ticket agency services for business, meetings, exhibitions, and entertainment activities. Through the mPass channel, it offers a diverse range of lifestyle and discount travel products, reflecting the vision and intended global business coverage of Macau Pass Group from its Macau base.



Lottery

The Group is one of the leading suppliers of lottery terminals in China. During the Six-Month Period, the Group won multiple lottery hardware tenders to supply lottery terminals to the Sports Lottery Administration Centres in Jiangsu Province, Zhejiang Province, Guizhou Province, Jiangxi Province, Shandong Province, Hainan Province, Shaanxi Province, Shanghai Municipality, and Hubei Province of China. The Group will continue to pursue tenders to supply to the lottery hardware markets.

The Group currently distributes lottery products (including lotto, sports lottery and instant scratch tickets) by expanding its physical lottery sales channels in China, which are mostly retail sales outlets previously under the membership network of Alibaba Group's digital sourcing platform for retailers, i.e. "Lingshoutong" (零售通). Due to the business restructuring of the Alibaba Group, the lottery sales outlets previously set up within the retail shops under Lingshoutong and Shanghai Caicai have now been directly and solely operated by CLM or ZCLM starting from March 2024. There will be no more fee split between the Group and Lingshoutong or Shanghai Caicai with respect to those lottery sales outlets. The retail shops continue their sales of lottery products pursuant to the service agreements between the retail shops and CLM or ZCLM. Alibaba China's Lingshoutong and Shanghai Caicai will no longer be involved in the cooperation with the Group for the sale of lottery products in the PRC starting from March 2024.

During the Six-Month Period, the number of lottery retail outlets of the Group has increased by approximately 10% compared to the same period in 2023. On the other hand, the revenue generated from lottery sales through these retail outlets was approximately HK\$33.4 million, a decrease of about 7% compared to the same period in 2023. This decline was primarily attributed to shortages in the allocation and supply of instant scratch tickets in multiple provinces in the PRC.

Additionally, the Group has operated its dedicated lottery resources channel on Taobao and Alipay. While this lottery resources channel has not conducted any internet lottery sales, it serves as a one-stop platform for many lottery-related services and resources, providing online users in China with an easy access to information and resources that address various lottery needs.

Through this lottery resources channel, the Group hopes to build on its online presence and maximize the value of its business partnership with Alibaba Group and Ant Group, in addition to preparation for any potential policy approval and authorization of online distribution of lottery products in the future.



Payment-related Hardware Supply

Macau Pass acts as the authorized agent to sell “Keruyun (客如雲)” brand of catering system in Macau and Hong Kong regions. As a leading digital SaaS service provider, Keruyun has been appointed as one of the designated suppliers of digitalization support services for Macau’s SMEs, serving many local catering outlets in Macau.

Strategic Investment

First Games Technology Private Limited in India:

A joint venture company of the Group with One97 Communications Limited (“**One97**”), namely, First Games Technology Private Limited (the “**JV**”) (formerly known as Paytm First Games Private Limited), developed and operated its mobile games and entertainment platform, namely “First Games”, in India. One97 is the owner of Paytm, which is a leading mobile payment platform in India. First Games offers players a unique online experience with popular games content such as rummy, poker, fantasy sports games, and other card games.

BUSINESS OUTLOOK

AGTech is dedicated to becoming a leading global group in banking and integrated digital financial technologies. With banking, electronic payment, and local consumer services as its core, the Group aims to build a comprehensive digital ecosystem and create a new paradigm for modern financial services.

Through offering digital financial services, e-wallet, contactless smart card and multipurpose e-payment system, the Group strives to promote mobile payment in Macau and contribute to the smart city transformation. With a vast customer base and an extensive merchant network, the digitized services provided by the Group have been ever-evolving, providing users with more convenient multi-scene services.



The Group will also explore on strategic cooperation with Alibaba Group and Ant Group to further develop and create more diverse business scenarios within the e-commerce and digital media and entertainment landscape; provide support for more electronic payment tools from overseas countries and regions to further facilitate the consumption of visitors to Macau, helping Macau's economic development and digital transformation of merchants, in addition to exploring commercialization opportunities within the Macau electronic payment ecosystem and cultural and entertainment market. Leveraging the advantages of Alipay+, the Group will integrate relevant industries in Macau through channels and contents, accurately present Macau's cultural tourism advantages such as entertainment, catering and shopping to potential tourists, assist collaborating merchants to increase their online exposure, and deeply build Macau into the World Centre of Tourism and Leisure. In the future, we will continue to enhance payment convenience for the elderly, foreigners coming to live and work in Macau, and other demographics. We will deepen the construction of service scenarios, enrich the provision of payment services, and continuously improve the standard of payment services and the payment experience for these relevant groups.

The Group aims to meet the consumption and financing needs of Macau's residents and SMEs by connecting scenarios and resources of the ecosystem with payment plus inclusive finance, create synergies with the Group's existing lifestyle, culture and entertainment and e-commerce businesses by utilising the resources of the ecosystems in the Alibaba Group and Ant Group, creating specialized cross-border financial service, diversifying and expanding the Group's sources of revenue.

With roots in Macau and sights set on the global stage, the Group is dedicated to investing in technological progress. Focused on user needs, we will expand our service offerings and global financial reach, seeking innovative business opportunities to ensure sustainable growth and value for the Shareholders.



FINANCIAL PERFORMANCE REVIEW

Revenue

Revenue of the Group for the Six-Month Period amounted to approximately HK\$271.4 million (Six months ended September 30, 2023: approximately HK\$277.8 million), representing a decrease of approximately 2.3% compared to the six months ended September 30, 2023. For the Six-Month Period, revenue contributions were mainly derived from the following businesses:

a) *Electronic payment and related businesses (including local consumer services and payment-related hardware supply)*

There was an overall decrease in revenue by approximately HK\$25.6 million to approximately HK\$138.2 million for the Six-Month Period. The decrease was mainly due to the decrease in tourists' spending in Macau and the fact that the living subsidy under the 2022 Electronic Consumption Benefits Plan came to an end in June 2023.

b) *Banking business*

The revenue of Ant Bank (Macao) of approximately HK\$6.8 million has been consolidated into the Group's from September 2, 2024 (being the date of completion of the attainment of a controlling stake in Ant Bank (Macao) by the Group). It mainly included interest income derived from loans to individuals and corporate customers, placements with banks and monetary bills with AMCM of approximately HK\$5.4 million and fee and commission income (derived from securities investment services, insurance agency services and account services) of approximately HK\$0.5 million.

Net interest income derived from the banking business of the Group amounted to approximately HK\$2.1 million for the Six-Month Period.



c) **Lottery business**

The overall increase in revenue by approximately HK\$12.4 million to approximately HK\$126.4 million for the Six-Month Period was mainly due to a combination of factors:

- (i) the increase in revenue from the sales of lottery hardware by approximately HK\$18.9 million as a result of the increase in lottery hardware tenders awarded and their deliveries; and
- (ii) partially offset by the decrease in revenue from the provision of lottery distribution and ancillary services by approximately HK\$6.0 million as a result of the shortages in the allocation and supply of instant scratch tickets in multiple provinces in the PRC.

Other operating expenses

The decrease in other operating expenses of the Group by approximately HK\$15.1 million to approximately HK\$131.3 million for the Six-Month Period (Six months ended September 30, 2023: approximately HK\$146.4 million) was mainly due to a combination of factors:

- (i) the decrease in costs (including transaction service fees, handling fees for stored value payment card top-up services and cost incurred for e-wallet services' customer loyalty programme) in respect of the electronic payment business by approximately HK\$14.9 million;
- (ii) the decrease in distribution expenses in relation to lottery distribution business by approximately HK\$5.4 million due to the fact that the Group no longer needed to pay service fees to Alibaba Group during the Six-Month Period as the Group's collaboration with Alibaba Group for the sale of lottery products in the PRC had ceased in March 2024; and
- (iii) partially offset by the inclusion of other operating expenses of Ant Bank (Macao), such as technical service fees of approximately HK\$3.1 million and outsource expense of approximately HK\$1.1 million.



Employee benefits expenses

Employee benefits expenses increased by approximately HK\$14.7 million to approximately HK\$97.4 million for the Six-Month Period (Six months ended September 30, 2023: approximately HK\$82.7 million), which was mainly due to:

- (i) the consolidation of Ant Bank (Macao)'s employee benefits expenses for the Six-Month Period since September 2024; and
- (ii) the recruitment of staff across the Group to cope with the business growth and expansion.

Operating loss and loss for the period

Operating loss for the Six-Month Period was approximately HK\$28.9 million (Six months ended September 30, 2023: approximately HK\$38.5 million). The decrease in operating loss was mainly due to a combination of factors:

- (i) the decrease in total revenue (partially offset by the related costs and expenses) of the Group as mentioned above;
- (ii) the decrease in other operating expenses of the Group as mentioned above; and
- (iii) the decrease in net other losses by approximately HK\$14.9 million mainly due to a reduction of foreign exchange loss as a result of the stabilization of the depreciation of Renminbi against Hong Kong dollars.

The loss for the Six-Month Period was approximately HK\$1.6 million (Six months ended September 30, 2023: loss of approximately HK\$10.5 million). Apart from the above-mentioned factors for the decrease in operating loss, the reduction of loss for the Six-Month Period was also attributable to the fair value gain on convertible term loan facilities provided by the Group to its 45%-owned joint venture company in India of approximately HK\$3.1 million for the Six-Month Period (Six months ended September 30, 2023: fair value loss of approximately HK\$0.3 million); which was partially offset by the decrease in finance income by approximately HK\$1.2 million to approximately HK\$24.9 million (Six months ended September 30, 2023: approximately HK\$26.1 million).



Liquidity and financial resources

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and meet its short-term and long-term funding requirements.



For the non-banking business segment of the Group, net cash (defined as total cash and cash equivalents plus cash from payment settlement receivable on T+1 basis less total debts, which include trade payables, accruals and other payables (excluding provision for warranty which represents a future obligation that does not directly impact the current cash balance), contract liabilities, floats balance due to card or account holders, card deposits due to cardholders, deposits from customers and lease liabilities) as at September 30, 2024 amounted to approximately HK\$208.9 million. In addition, fixed deposits held at bank with original maturity over three months amounted to approximately HK\$127.7 million as at September 30, 2024 (as at March 31, 2024: approximately HK\$201.4 million).

For the banking business segment of the Group, AMCM sets capital requirements for Macau's banking industry to maintain a minimum prescribed ratio (currently, 8%) of total capital to total risk-weighted assets of a bank (the "**Minimum Capital Adequacy Ratio**"). The Asset and Liability Management Committee of Ant Bank (Macao) undertakes capital management function on an on-going basis to manage its capital structure and meet its funding requirements. As at September 30, 2024, Ant Bank (Macao)'s capital adequacy ratio stood at approximately 83.0%, which exceeded the Minimum Capital Adequacy Ratio.

The total assets and net current assets of the Group as at September 30, 2024 were approximately HK\$5,222.1 million and approximately HK\$845.3 million respectively (as at March 31, 2024: approximately HK\$3,729.7 million and approximately HK\$781.4 million respectively). Current liabilities of the Group as at September 30, 2024 were approximately HK\$2,243.6 million (as at March 31, 2024: approximately HK\$950.1 million). The liquidity ratio (defined as current assets divided by current liabilities) of the Group as at September 30, 2024 was approximately 1.4 (as at March 31, 2024: approximately 1.8) which continuously reflects the adequacy of financial resources of the Group.

**Credit Risk**

The credit risk of the Group mainly arises from cash and bank balances, other receivables and deposits, trade receivables, loans and advances to customers and convertible terms loans to a joint venture that are measured at fair value through profit or loss.

The Group's maximum exposure to credit risk which may cause a financial loss to the Group due to failure to discharge an obligation by the counterparties in respect of debts, loans or advances provided by the Group is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated statement of financial position. In order to minimize the credit risk, the management of the Group has established a risk assessment and approval mechanism for credit approval and delegated relevant teams responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts, loans and advances. In addition, the Group reviews the recoverable amount of each individual trade debt and loans at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has established written credit policy which covers authority of granting facility limits, credit review, maintenance of collaterals and provisioning. Credit review is performed regularly and at least annually and approved by management team in accordance with their respective limits.

Cash and bank balances of the Group are placed in (i) renowned or high credit-rated banks and financial institutions which are considered to be of low credit risk as they have an investment credit rating with at least one major agency; or (ii) Ant Bank (Macao) which is a subsidiary controlled by the Group at both the shareholders' and board of directors' levels. There has been no recent history of default in relation to these banks and financial institutions.

In this regard, the Directors consider that the Group's credit risk is significantly reduced.

**Capital structure and foreign exchange risk**

During the Six-Month Period, the Group financed its capital requirement through its equity and its internally generated cash flow.



As at September 30, 2024, the Group did not have any bank borrowings. The gearing ratio (defined as bank borrowings divided by equity) of the Group as at September 30, 2024 was therefore not applicable.

As at September 30, 2024, majority of the Group's bank deposits were denominated in US\$, MOP, HK\$ and RMB. RMB-denominated bank deposits were primarily held by the entities of which functional currency is RMB. MOP-denominated bank deposits were primarily held by the entities of which functional currency is MOP. Since MOP is pegged to HK\$ and HK\$ is pegged to US\$, there is no significant foreign exchange risk in respect to US\$ and MOP during the Six-Month Period. As at September 30, 2024, the Group's entity with functional currency of Hong Kong dollar had net monetary assets denominated in INR of approximately HK\$85.0 million (as at March 31, 2024: approximately HK\$81.9 million) and the related foreign exchange risk had not been hedged. Substantially all of its revenue-generating operations, monetary assets and liabilities of the Group are conducted or transacted in functional currencies. The Group had neither foreign currency hedging activities nor any financial instruments for hedging purposes during the Six-Month Period. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Contingent liabilities and capital commitment

As at September 30, 2024, the Group did not have any material contingent liabilities and capital commitment that constituted "notifiable transactions" under Chapter 19 of the GEM Listing Rules.

Significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures during the Six-Month Period

There were no significant investments, material acquisitions and disposals of subsidiaries, associates and joint ventures that constituted "notifiable transactions" under Chapter 19 of the GEM Listing Rules during the Six-Month Period, other than the completion of the discloseable and connected transaction in relation to the attainment of the controlling stake in Ant Bank (Macao) and disposal of a 30% equity interest in Star N Cloud Network Intelligence Company Limited on September 2, 2024, as disclosed in the announcement of the Company dated September 2, 2024.

***Employees' information and remuneration policies***

As at September 30, 2024, the Group had 373 (as at March 31, 2024: 413) employees in Chinese Mainland, Macau and Hong Kong. Total staff costs (excluding Directors' emoluments) for the Six-Month Period amounted to approximately HK\$92.5 million (for the six months ended September 30, 2023: approximately HK\$77.0 million).

The Group's remuneration policies are formulated on the basis of performance and experience of individual employees and are in line with local market practices. In addition to salary, the Group also offers other fringe benefits including year-end bonus, share option scheme, Share Award Scheme, contributory provident fund, social security fund, medical benefits and training (including on-the-job training, in-house and external training seminars) to its employees.

Charges on the Group's assets

As at September 30, 2024, bank deposits of approximately HK\$2.1 million (as at March 31, 2024: approximately HK\$1.6 million) were held in designated bank accounts to secure letters of bank guarantee granted to the Group.

As at September 30, 2024, a sum of approximately HK\$5.0 million (as at March 31, 2024: approximately HK\$5.0 million) was held by trustees of the Company for purchases of award Shares under the Share Award Scheme. Such sum was not available for general use by the Group.

As at September 30, 2024, a minimum deposit balance of approximately HK\$21.9 million (as at March 31, 2024: Nil) of Ant Bank (Macao) was maintained with AMCM in compliance with liquidity rules in Macau. In addition, as at September 30, 2024, a restricted bank deposit was held for performance guarantees provided by a Macau bank in favor of the Macau government for service projects of Macau Pass to the extent of approximately HK\$19,000. The bank guarantees are secured by the restricted bank deposit provided by the Group amounting to approximately HK\$19,000.

Save as disclosed above, as at September 30, 2024, there was no charge on the assets of the Group.

***Future plans for material investments and acquisition of capital assets***

As at September 30, 2024, there was no specific plan for material investments and acquisition of capital assets that is required to be disclosed pursuant to Rule 17.10 of the GEM Listing Rules and the inside information provisions under Part XIVA of the SFO.

Significant changes to financial position

Inventories of the Group amounted to approximately HK\$41.3 million as at September 30, 2024 (as at March 31, 2024: approximately HK\$20.8 million). Inventory turnover period increased from 107 days for the fifteen months ended March 31, 2024 to 130 days for the Six-Month Period mainly due to the increase of inventories close to current period end to meet the demand for the committed orders for the second half of financial year.

Trade receivables of the Group amounted to approximately HK\$25.0 million as at September 30, 2024 (as at March 31, 2024: approximately HK\$20.2 million). Debtor turnover period increased slightly from 14 days for the fifteen months ended March 31, 2024 to 15 days for the Six-Month Period. The debtor turnover period continued to stay at a low level for the Six-Month Period, reflecting that the status of debtor collection from customers remained satisfactory.

Goodwill of the Group increased to approximately HK\$1,554.8 million as at September 30, 2024 (as at March 31, 2024: approximately HK\$1,466.6 million), primarily due to the recognition of goodwill arising from the attainment of a controlling stake in Ant Bank (Macao) in September 2024 of approximately HK\$74.9 million and the currency translation difference of approximately HK\$13.3 million.

Other intangible assets of the Group amounted to approximately HK\$319.5 million (as at March 31, 2024: approximately HK\$303.9 million). The increase in balance is mainly due to the recognition of identifiable intangible assets, i.e. core customer deposit intangible of approximately HK\$28.4 million arising from the attainment of a controlling stake in Ant Bank (Macao) in September 2024.



The financial assets at fair value through profit or loss of approximately HK\$85.0 million as at September 30, 2024 (as at March 31, 2024: approximately HK\$81.9 million) represents the fair value of convertible term loan facilities in the maximum amount of INR1,319.4 million (or approximately HK\$137.3 million) which had been provided by the Group to and fully utilized by the JV. A fair value gain on such financial assets of approximately HK\$3.1 million was recognized for the Six-Month Period (six months ended September 30, 2023: fair value loss of HK\$0.3 million).

Monetary bills with AMCM of approximately HK\$1,185.1 million as at September 30, 2024 (as at March 31, 2024: Nil) represent the debt securities issued by AMCM and held by Ant Bank (Macao), which are recognized as financial assets carried at amortized costs.

Loans and advances to customers of approximately HK\$196.2 million as at September 30, 2024 (as at March 31, 2024: Nil) represent the loans and advances to customers of Ant Bank (Macao).

Deposits from customers of approximately HK\$1,383.9 million as at September 30, 2024 represent the balances of savings and time deposits placed by individuals and corporate customers with Ant Bank (Macao).

The current portion of other receivables, deposits and prepayments decreased from approximately HK\$316.6 million as at March 31, 2024 to approximately HK\$152.5 million as at September 30, 2024, which was mainly due to the decrease in payment settlement related receivable on T+1 basis as compared to March 31, 2024 and the repayment of loan from an associate of approximately HK\$38.7 million.

The current portion of accruals and other payables amounted to approximately HK\$295.6 million as at September 30, 2024 (as at March 31, 2024: approximately HK\$433.9 million). The decreases in the current portion of accruals and other payables were mainly due to the decrease in payables to merchants for the electronic payment business.

Significant events after the Six-Month Period

There was no significant event affecting the Group after September 30, 2024.



NEW CONTINUING CONNECTED TRANSACTIONS WITH THE ANT GROUP

Ant Bank (Macao) and the Ant Group have been cooperating on different areas, including resources sharing services, remittance and settlement services, technical services, transfer of creditors' rights and related services, deposit services, marketing services and loan services.

The Ant Group (including Ant Technologies) are associates of Alibaba Holding and hence connected persons of the Company under the GEM Listing Rules. As Ant Bank (Macao) has become an indirect non-wholly owned subsidiary of the Company since September 2, 2024, the aforesaid services between Ant Bank (Macao) and the Ant Group constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules with effect from September 2, 2024.

To maintain the business cooperation between Ant Bank (Macao) and the Ant Group and ensure that it would comply with the requirements of the GEM Listing Rules with effect from September 2, 2024, on February 8, 2024, the Company (for itself and on behalf of its subsidiaries), Ant Bank (Macao) and Ant Technologies (for itself and on behalf of the direct or indirect subsidiaries and affiliated companies of Ant Holdco) entered into the framework agreement (the "**Framework Agreement**") to set out the terms and conditions of the future business cooperation and resources sharing between Ant Bank (Macao) and the Ant Group. Pursuant to the Framework Agreement, Ant Technologies may from time to time enter into or procure the Ant Group members to enter into specific execution agreements with Ant Bank (Macao) for the provision of the services specified in the Framework Agreement to each other. For further details of these new continuing connected transactions under the Framework Agreement, please refer to the announcement and the circular of the Company dated February 8, 2024 and March 5, 2024 respectively.



DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at September 30, 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

a. Interests in Shares and restricted share units of the Company:

Name of Director	Number of Shares/restricted share units held			Approximate percentage held (Note 1)
	Personal interest	Corporate interest	Total	
Mr. Sun Ho	60,158,000 (Note 2)	2,006,250,000 (Note 3)	2,066,408,000	17.70%
Ms. Hu Taoye	5,384,000 (Note 4)	–	5,384,000	0.046%
Mr. Tung Pen Hung	–	–	–	0%
Ms. Qin Yuehong	–	–	–	0%
Mr. Ji Gang	–	–	–	0%
Mr. Chow Siu Lui	–	–	–	0%
Mr. Chan Ka Leong (Appointed on May 3, 2024)	–	–	–	0%
Ms. Yuen Kit Ming Fanny (Appointed on May 14, 2024)	–	–	–	0%



Notes:

1. Based on a total of 11,672,342,235 Shares in issue as at September 30, 2024.
2. It represents 48,158,000 Shares and 12,000,000 restricted share units (granted under the Share Award Scheme) beneficially held by Mr. Sun Ho.
3. These 2,006,250,000 Shares were held in the name of Maxprofit Global Inc. As Maxprofit Global Inc was beneficially and wholly-owned by Mr. Sun Ho, the chairman, executive Director and CEO of the Company, Mr. Sun was deemed to be interested in such Shares under the SFO.
4. It represents 1,634,000 Shares and 3,750,000 restricted share units (granted under the Share Award Scheme) beneficially held by Ms. Hu Taoye.

b. Long positions in shares and underlying shares of Alibaba Holding, an associated corporation of the Company within the meaning of Part XV of the SFO:

Name of Director	Capacity	Number of shares/underlying shares held		Approximate percentage of total issued share capital of Alibaba Holding
		(in the number of American Depository Shares ("ADS(s)" of Alibaba Holding) (Note 1)	(in the number of ordinary shares of Alibaba Holding) (Note 1)	(Note 2)
Ms. Hu Taoye	(Note 3)	18,677	149,416	0.001%
Mr. Tung Pen Hung	(Note 4)	77,155	617,240	0.003%
Ms. Qin Yuehong	(Note 5)	56,200	449,600	0.002%
Mr. Ji Gang	(Note 6)	9,983	79,864	negligible



Notes:

1. One ADS of Alibaba Holding represents eight ordinary shares of Alibaba Holding; and one restricted share unit ("**RSU(s)**") of Alibaba Holding represents one ADS of Alibaba Holding.
2. Based on a total of 19,159,821,492 ordinary shares of Alibaba Holding in issue as at September 30, 2024.
3. The interest comprised 16,952 ADSs of Alibaba Holding and 1,725 RSUs of Alibaba Holding beneficially held by Ms. Hu Taoye.
4. The interest comprised 65,842 ADSs of Alibaba Holding and 11,313 RSUs of Alibaba Holding beneficially held by Mr. Tung Pen Hung.
5. The interest comprised 36,825 ADSs of Alibaba Holding and 19,375 RSUs of Alibaba Holding beneficially held by Ms. Qin Yuehong.
6. The interest comprised 9,566 ADSs of Alibaba Holding and 417 RSUs of Alibaba Holding beneficially held by Mr. Ji Gang.

Save as disclosed above, as at September 30, 2024, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at September 30, 2024, so far as was known to the Directors or chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares Held	Approximate percentage of total issued share capital of the Company (Note 1)
Ali Fortune (Note 2)	Beneficial owner	6,502,723,993	55.71%
Alibaba Investment Limited (Note 2)	Interest of controlled corporation	6,502,723,993	55.71%
API Holdings Limited (Note 2)	Interest of controlled corporation	6,502,723,993	55.71%
Alibaba Holding (Note 3)	Interest of controlled corporation	6,502,723,993	55.71%
API (Hong Kong) Investment Limited (Note 4)	Interest of controlled corporation	6,502,723,993	55.71%
Shanghai Yunju Venture Capital Investment Co., Ltd. (formerly known as Shanghai Yunju Investment Management Co., Ltd.) (Note 5)	Interest of controlled corporation	6,502,723,993	55.71%
Ant Holdco (Note 6)	Interest of controlled corporation	6,502,723,993	55.71%
Maxprofit Global Inc. (Note 7)	Beneficial owner	2,006,250,000	17.19%
Mr. Cheung Lup Kwan Vitor (Note 8)	Interest of controlled corporation	584,515,224	5.01%
Rainwood Resources Limited (Note 8)	Beneficial owner	584,515,224	5.01%



Notes:

1. Based on a total of 11,672,342,235 Shares in issue as at September 30, 2024.
2. Alibaba Investment Limited (“**AIL**”) and API Holdings Limited (“**API Holdings**”) held 60% and 40% of the issued share capital of Ali Fortune, respectively.
3. Alibaba Holding held 100% of the issued share capital of AIL.
4. API (Hong Kong) Investment Limited held 100% of the issued share capital of API Holdings.
5. Shanghai Yunju Venture Capital Investment Co., Ltd. (formerly known as Shanghai Yunju Investment Management Co., Ltd.) (“**Shanghai Yunju**”) held 100% of the issued share capital of API (Hong Kong) Investment Limited.
6. Ant Holdco held 100% of the equity interests in Shanghai Yunju. Hangzhou Junhan Equity Investment Partnership (Limited Partnership)* (杭州君瀚股權投資合夥企業(有限合夥)) (“**Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership)* (杭州君澳股權投資合夥企業(有限合夥)) (“**Junao**”) held approximately 31% and 22% of Ant Holdco’s total issued shares, respectively. Hangzhou Xingtao Enterprise Management Consultancy Co., Ltd.* (杭州星滔企業管理諮詢有限公司) (“**Xingtao**”) was the executive partner and general partner of Junhan; Hangzhou Yunbo Investment Consultancy Co., Ltd.* (杭州雲鉞投資諮詢有限公司) (“**Yunbo**”) was the executive partner and general partner of Junao; and each of Xingtao and Yunbo was held by five individuals as to 20% each. The remaining issued shares in Ant Holdco were held as to approximately 33% by Taobao (China) Software Co., Ltd.* (淘寶(中國)軟件有限公司), an indirect wholly-owned subsidiary of Alibaba Holding, and as to approximately 14% by other minority shareholders.
7. As disclosed in the section headed “DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES” above, Mr. Sun Ho was deemed to be interested in these 2,006,250,000 Shares under the SFO by virtue of his interest in Maxprofit Global Inc.
8. Mr. Cheung Lup Kwan Vitor held a 52% equity interest in Rainwood Resources Limited. Therefore, Mr. Cheung Lup Kwan Vitor was deemed to be interested in these 584,515,224 Shares under the SFO.



Save as disclosed above, as at September 30, 2024, the Directors or chief executive of the Company were not aware of any other persons (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to section 336 of the SFO.

INTERESTS OF OTHER PERSONS

As at September 30, 2024, apart from the interests in the Shares, underlying Shares and/or debentures of the Company and its associated corporations held by the Directors, chief executive and substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register of the Company required to be kept under section 336 of the SFO.

INTERESTS IN COMPETING BUSINESS

Ali Fortune, the controlling shareholder of the Company, is indirectly owned as to 60% and 40% by Alibaba Holding and Ant Holdco respectively. Ant Holdco is indirectly held by Alibaba Holding as to approximately 33% of its equity interest and is therefore a “close associate” (as defined in the GEM Listing Rules) of Ali Fortune.

As of the date of this report, Ant Bank (Macao) is a company incorporated under the laws of Macau which is held as to approximately 51.5% by an indirect wholly-owned subsidiary of the Company and as to approximately 48.5% by two indirect wholly-owned subsidiaries of Ant Holdco.

Ant Bank (Macao) is engaged in, among other things, the Alipay (Macao) e-wallet payment service in Macau. Two Directors, namely Mr. Sun Ho and Mr. Ji Gang, are also directors of Ant Bank (Macao).

Following completion of the attainment of a controlling stake in Ant Bank (Macao) by the Group on September 2, 2024, both Ant Bank (Macao) and Macau Pass (which also operates its e-wallet payment service through MPay) are subsidiaries of the Company. Accordingly, the Company remains of the view that these two subsidiaries are not “competing businesses”.



As at the date of this report, none of the Directors, controlling shareholders or their respective close associates had interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely, Mr. Chow Siu Lui, Mr. Chan Ka Leong and Ms. Yuen Kit Ming Fanny. The Audit Committee is chaired by Mr. Chow Siu Lui. The Group’s unaudited condensed consolidated financial statements for the Six-Month Period have not been audited by the Company’s auditor but have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

REQUIRED STANDARD OF DEALINGS REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for dealings in securities of the Company by the Directors (the “**Code of Conduct**”). The Company had made specific enquiry with all Directors and was not aware of any non-compliance with the required standard of dealings set out in the Code of Conduct during the Six-Month Period.

CONTROLLING SHAREHOLDER’S INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed “CONTINUING CONNECTED TRANSACTIONS (“**CCTs**”)” in the annual report of the Company for the fifteen months ended March 31, 2024, and the section headed “NEW CONTINUING CONNECTED TRANSACTIONS WITH THE ANT GROUP” set out in this report, there were no contracts of significance (whether for the provision of services to the Group or not) between the Company or any of its subsidiaries, and any of its controlling shareholders (as defined in the GEM Listing Rules) or its subsidiaries at the end of the Six-Month Period or at any time during the Six-Month Period.



SHARE OPTION SCHEME

The 2024 Share Option Scheme was adopted by the Company at the conclusion of the annual general meeting of the Company held on September 9, 2024 and the 2014 Share Option Scheme was then terminated. The Stock Exchange granted the approval for the listing of, and the permission to deal in, the shares of the Company to be issued pursuant to the exercise of the options granted under the 2024 Share Option Scheme on September 10, 2024.

During the Six-Month Period, no options were granted by the Company and no options were exercised, cancelled or lapsed pursuant to the 2014 Share Option Scheme and the 2024 Share Option Scheme.

As at each of April 1, 2024 and September 30, 2024, the number of Shares in respect of options which had been granted and remained outstanding under the 2014 Share Option Scheme was nil. As at each of April 1, 2024 and September 30, 2024, the total number of Shares in respect of options that were still available for grant under the 2014 Share Option Scheme (excluding, for the purpose of calculating the “option scheme mandate limit”, any options granted under the 2014 Share Option Scheme but forfeited or lapsed in accordance with the terms of such scheme) was 313,309,485 Shares and nil respectively.

From the effective date of the 2024 Share Option Scheme up to September 30, 2024, no options were granted by the Company pursuant to the 2024 Share Option Scheme. As at September 30, 2024, the number of Shares in respect of options which had been granted and remained outstanding under the 2024 Share Option Scheme was nil. As at September 30, 2024, the total number of Shares in respect of options that were still available for grant under each of the option scheme mandate limit and the option service provider sublimit of the 2024 Share Option Scheme was 350,170,267 Shares and 35,017,026 Shares respectively.



SHARE AWARD SCHEME

The proposed amendments to the Share Award Scheme (including, among others, the refreshment of the award scheme mandate limit for new Shares and the adoption of the award service provider sublimit) were approved by the Shareholders at the annual general meeting of the Company held on September 9, 2024, details of which are set out in the circular of the Company dated August 16, 2024. The Stock Exchange granted the approval for the listing of, and the permission to deal in, the shares of the Company to be issued pursuant to the amended Share Award Scheme on September 10, 2024.

During the Six-Month Period, 58,950,000 award Shares were granted by the Company to 85 eligible persons (including Mr. Sun Ho, six directors of subsidiaries of the Company, and 78 employees of the Group who are independent of the Company and its connected persons) pursuant to the Share Award Scheme. All of the 58,950,000 award Shares were granted on June 25, 2024 by way of acquisition of existing Shares through on-market transactions by the Trustee.

Out of the 58,950,000 award Shares granted, 13,150,000 award Shares granted to 50 employees of the Group are conditional upon such employees having met certain performance target in the financial year ending March 31, 2025, and the relevant award Shares shall lapse if such employees are unable to achieve the aforesaid performance target, while the remaining award Shares granted are not subject to any performance targets. All the 58,950,000 award Shares were subject to clawback mechanism, whereby in the event of any circumstances specified in the Share Award Scheme or award letter including but not limited to cessation of a selected participant's employment or service by the Company for cause, and the selected participant performing any act that may confer a competitive benefit or advantage upon any competitor of the Group, the Company shall have the right to repurchase or procure the purchase of some or all of the vested award from such selected participant or his/her transferee for no consideration and require such selected participant to pay the Company any and all payment in cash or other property in lieu of the vested award which such selected participant has received from the Company pursuant to the award.

During the Six-Month Period, 22,723,225 award Shares were vested in the grantees and 16,100,000 award Shares were forfeited.



As at each of April 1, 2024 and September 30, 2024, the total number of award Shares still available for grant under the award scheme mandate limit for the acquisition of existing Shares pursuant to the Share Award Scheme was 340,808,526 Shares and 297,958,526 Shares respectively.



From the refreshment of the award scheme mandate limit for new Shares and the adoption of the award service provider sublimit of the Share Award Scheme on September 9, 2024 and up to September 30, 2024, no award Shares were granted involving new Shares or to any service provider pursuant to the Share Award Scheme. As at September 30, 2024, the total number of award Shares still available for grant under the award scheme mandate limit for new Shares was 350,170,267 Shares. As at September 30, 2024, the total number of award Shares still available for grant under the award service provider sublimit for existing Shares and new Shares were 6,308,525 Shares and 3,501,702 Shares respectively.



Set out below is a table summarizing the movements of the award Shares under the Share Award Scheme during the Six-Month Period:

Number of award Shares													
Name of grantee/ Categories	Date of grant (DDMMYYYY)	Vesting period (DDMMYYYY – DDMMYYYY)	Market price of award Shares (based on closing price of Shares) as at the date of grant		Closing price of Shares immediately before the vesting date (HK\$)	Closing price of Shares immediately before the vesting date (HK\$)	Unvested at April 1, 2024	Granted during the Six-Month Period	Vested during the Six-Month Period	Lapsed during the Six-Month Period	Forfeited during the Six-Month Period	Cancelled during the Six-Month Period	Unvested at September 30, 2024
			Purchase price of award Shares (HK\$) (Note 1)	price of Shares) as at the date of grant (HK\$) (Note 2)									
Directors of the Company													
Mr. Sun Ho	11/05/2023	01/04/2024-01/04/2027	0.238	0.250	0.243	0.230	8,000,000	–	2,000,000	–	–	–	6,000,000
	25/06/2024	21/06/2025-01/04/2028	0.238	0.195	0.195	–	–	6,000,000	–	–	–	–	6,000,000
Ms. Hu Tayee	22/05/2020	01/04/2021-01/04/2024	0.238	0.480	0.485	0.230	96,000	–	96,000	–	–	–	–
	11/05/2023	01/04/2024-01/04/2027	0.238	0.250	0.243	0.230	5,000,000	–	1,250,000	–	–	–	3,750,000
Directors of subsidiaries of the Company													
	22/05/2020	01/04/2021-01/04/2024	0.238	0.480	0.485	0.230	1,175,000	–	1,175,000	–	–	–	–
	12/08/2022	01/06/2024-01/06/2026	0.238	0.275	0.290	0.181	18,000,000	–	9,000,000	–	–	–	9,000,000
	11/05/2023	01/04/2024-01/04/2027	0.238	0.250	0.243	0.230	7,800,000	–	1,950,000	–	–	–	5,850,000
	09/11/2023	02/05/2025-02/05/2027	0.238	0.203	0.205	–	4,000,000	–	–	–	–	–	4,000,000
	06/03/2024	01/11/2024-01/11/2027	0.238	0.225	0.224	–	1,200,000	–	–	–	–	–	1,200,000
	25/06/2024	21/06/2025-01/04/2028	0.238	0.195	0.195	–	–	9,000,000	–	–	–	–	9,000,000
Eligible employees													
	22/05/2020	01/04/2021-07/05/2024	0.238	0.480	0.485	0.230	2,360,000	–	2,360,000	–	–	–	–
	17/12/2021	27/05/2022-01/11/2025	0.238	0.255	0.250	0.202	3,150,000	–	700,000	–	–	–	2,450,000
	12/08/2022	24/03/2024-01/06/2026	0.238	0.275	0.290	0.181	4,384,450	–	2,192,225	–	–	–	2,192,225
	09/11/2022	01/09/2024-02/11/2026	0.238	0.255	0.255	0.174	12,400,000	–	400,000	–	1,000,000	–	11,000,000
	29/03/2023	21/11/2024-13/03/2027	0.238	0.255	0.239	–	10,100,000	–	–	–	3,500,000	–	6,600,000
	11/05/2023	01/04/2024-01/04/2027	0.238	0.250	0.243	0.230	7,200,000	–	1,600,000	–	–	–	5,600,000
	09/11/2023	29/05/2025-17/09/2027	0.238	0.203	0.205	–	7,200,000	–	–	–	1,000,000	–	6,200,000
	06/03/2024	01/11/2024-04/01/2028	0.238	0.225	0.224	–	14,500,000	–	–	–	2,900,000	–	11,600,000
	25/06/2024	21/06/2025-06/05/2028	0.238	0.195	0.195	–	–	43,950,000	–	–	7,700,000	–	36,250,000
Related entities participants													
	–	–	–	–	–	–	–	–	–	–	–	–	–
Service providers													
	–	–	–	–	–	–	–	–	–	–	–	–	–
Total							106,565,450	58,950,000	22,723,225	–	16,100,000	–	126,692,225



Notes:

1. This represents the average purchase price per Share paid by the Company for award Shares granted. Under the Share Award Scheme, no purchase price is required to be paid by grantees.
2. This represents the weighted average closing price of the Shares immediately before the date on which the award Shares were vested.
3. The fair value of the award Shares at the date of grant on June 25, 2024 during the Six-Month Period was HK\$0.195 per Share. The award Shares are usually vested over a period of approximately four years and the fair value was determined based on the published closing price of the Shares at the grant date. The expected dividends during the vesting period have been taken into account when assessing the fair values of these award Shares. The Group has adopted the accounting standard in accordance with HKFRS 2 – Share-based Payment.
4. Save as disclosed in the table above, no other award Shares were granted to Directors, chief executive or substantial shareholders of the Company, or any of their respective associates (as defined in the GEM Listing Rules).

CORPORATE GOVERNANCE PRACTICES

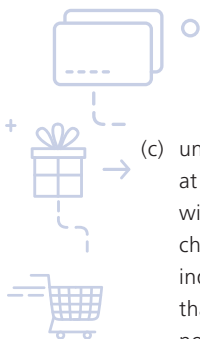
The Board is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of the Shareholders.

The Company has adopted the applicable code provisions in the Corporate Governance Code (the “**Code**”) as set out in Part 2 of Appendix C1 of the GEM Listing Rules.



During the Six-Month Period, the Company complied with the Code except for the following deviations:

- (a) under code provision C.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of chairman and CEO of the Company were performed by an executive Director, Mr. Sun Ho, during the Six-Month Period. The Company considered that the combination of the roles of chairman and CEO could effectively facilitate the formulation and implementation of the strategies of the Company. The Company considered that under the supervision of its Board and especially its independent non-executive Directors, a balancing mechanism existed so that the interests of the Shareholders were adequately and fairly represented. The Company considered that there was no imminent need to change the arrangement;
- (b) under code provision B.2.2 of the Code, every Director should be subject to retirement by rotation at least once every three years. However, pursuant to the Bye-laws, the chairman of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. During the Six-Month Period, the chairman of the Board was not subject to retirement by rotation as the Board considered that the continuity of the office of the chairman provided the Group with strong and consistent leadership and was of great importance to the smooth operations of the Group. The Company considered that the performance of the chairman was already under the supervision of the entire Board (especially the independent non-executive Directors), and checks and balances existed so that the interests of the Shareholders were adequately and fairly represented;



- (c) under code provision C.2.7 of the Code, the chairman of the Board should at least annually hold meetings with the independent non-executive Directors without the presence of other Directors. During the Six-Month Period, the chairman of the Board did not hold such kind of private meetings with the independent non-executive Directors. The chairman of the Board considered that it was unnecessary as it would be more transparent to let the independent non-executive Directors speak out their views to all other Directors in the full Board meetings which would be held multiple times each year. Besides, the chairman of the Board, being an executive Director himself, always welcomes all independent non-executive Directors to directly communicate with him via his email or phone to discuss any matters of the Company from time to time;
- (d) under code provision C.1.5 of the Code, each Director should disclose to the Company, among other things, an indication of the time involved by him/her in his/her offices held in other public companies or organizations and other significant commitments. During the Six-Month Period, no such disclosure was made by the Directors to the Company. As the Board had adopted a corporate governance practice that each Director's contributions to the Group would be reviewed and discussed at the Board meeting annually (the "**Annual Contributions Review**"), the Board considered that assessing the time spent by each Director on his/her commitments outside the Group was not necessary for the purposes of the Annual Contributions Review and that the disclosure of the time spent by a Director in performing his/her duties would not necessarily indicate accurately the efficiency of such Director and the effectiveness of his/her work, and may therefore be misleading;
- (e) under code provision E.1.2(c) of the Code, the remuneration committee should review and recommend to the Board for approval of the specific remuneration packages of senior management. The remuneration committee of the Company had reviewed its scope of duties and considered that the delegated responsibility to review and recommend to the Board to approve the specific remuneration packages of senior management should be vested in the executive Directors who have a better understanding of the level of expertise, experience and performance expected of the senior management in the daily business operations. Notwithstanding the foregoing, the remuneration committee would continue to be primarily responsible for the review and recommendation of the remuneration packages of the Directors;



- (f) under code provision E.1.5 of the Code, the Company should disclose details of any remuneration payable to members of senior management by band in its annual report. The Company did not make such disclosure in its annual report as the Board considered that (i) the remuneration of any newly appointed “chief executive” (as defined under the GEM Listing Rules) would have already been disclosed in the announcement previously issued by the Company in respect of such appointment in accordance with GEM Listing Rule 17.50(2)(g); (ii) the five highest paid employees within the Group had already been disclosed in the notes to the consolidated financial statements of the Group in the annual report, and (iii) giving further details of remuneration for each and every senior management staff would result in particulars of excessive length and no additional value to the Shareholders, whilst at the same time may impair the flexibility of the Group in its negotiations of remuneration packages for senior management staff (especially those who are not Directors or chief executives of the Group and hence are not supposed to be subject to the aforesaid disclosure requirement under GEM Listing Rule 17.50(2)(g)) should it need to find replacement staff or recruit additional senior personnel in the future; and
- (g) under code provision F.1.1 of the Code, the Company should have a policy on payment of dividends and should disclose it in its annual report. The Company did not have such policy and did not make such disclosure in its annual report as the Board considered that it would be premature to decide on its dividend policy as the Company did not have any distributable reserves calculated under the laws of Bermuda, and even if the Company will have sufficient distributable reserves to pay its dividends in the future, the Board has yet to assess the funding requirements of the Group (for instance, its working capital needs and capital expenditure) at that time before the Company could decide on the amount of dividends or proportion of net profits that it would be in a position to distribute to the Shareholders.

(The above deviations (a) to (g) were similarly disclosed on pages 25 to 27 of the Company’s annual report for the fifteen months ended March 31, 2024 and on pages 73 to 75 of the Company’s second interim report for the 12-months ended December 31, 2023.)



Temporary non-compliance event during the Six-Month Period:

Under code provision B(f) of Part 1 of the Code, the Company should disclose non-compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules. Following the resignation of the independent non-executive Directors, Mr. Feng Qing and Dr. Gao Jack Qunyao, and the appointment of the new independent non-executive Director, Mr. Chan Ka Leong, on May 3, 2024, the Company only had two independent non-executive Directors, and therefore fell below the requirements of Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules for a short period from May 3, 2024 to May 13, 2024, which require the Company to have at least three independent non-executive Directors, that the independent non-executive Directors should represent at least one-third of the Board, and that the audit committee of the Company must comprise a minimum of three members. The Company subsequently appointed a third independent non-executive Director, Ms. Yuen Kit Ming Fanny, on May 14, 2024, and following such appointment, the Company has re-complied with the requirements under Rules 5.05(1), 5.05A and 5.28 of the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Six-Month Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities (including sale of treasury shares (as defined under the GEM Listing Rules), if any) of the Company.

CHANGE IN INFORMATION REGARDING A DIRECTOR

Pursuant to the disclosure requirement under Rule 17.50A(1) of the GEM Listing Rules, the change in information regarding a Director, Mr. Sun Ho, is set out below:

Mr. Sun Ho has been redesignated as the chairman of the board of directors of Ant Bank (Macao) with effect from October 15, 2024.

Save as disclosed above, there is no change of information in respect of the Directors or chief executive of the Company which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.



AMENDMENTS TO THE BYE-LAWS

During the Six-Month Period, the Bye-laws were amended to, inter alia, (i) update and bring the Bye-laws in line with the latest GEM Listing Rules requirements, in relation to the expanded paperless listing regime and the dissemination of corporate communications by listed issuers to shareholders by way of electronic means or by making all of their corporate communications available on their websites and the Stock Exchange's website, which took effect from December 31, 2023, and (ii) clarify and reinstate the power of the Company to purchase or otherwise acquire its own Shares (including its redeemable Shares) for cancellation or to be held as treasury Shares in view of the recent amendments to the GEM Listing Rules relating to treasury shares which took effect from June 11, 2024. The aforesaid amendments to the Bye-laws were approved by the Shareholders by way of a special resolution at the annual general meeting of the Company held on September 9, 2024. Further details of the amendments to the Bye-laws are disclosed in the circular of the Company dated August 16, 2024.



DEFINITIONS

In this report, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:



"2014 Share Option Scheme"	the share option scheme of the Company adopted on December 23, 2014;
"2024 Share Option Scheme"	the share option scheme of the Company adopted on September 9, 2024;
"Ali Fortune"	Ali Fortune Investment Holding Limited, a company incorporated in the British Virgin Islands and the controlling shareholder of the Company;
"Alibaba China"	阿里巴巴(中國)網絡技術有限公司 (Alibaba (China) Technology Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Alibaba Holding;
"Alibaba Group"	Alibaba Holding and its subsidiaries;
"Alibaba Holding"	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depository shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Codes: 9988 (HKD Counter) and 89988 (RMB Counter);
"Alipay"	支付寶(中國)網絡技術有限公司 (Alipay.com Co., Ltd.*), a company incorporated in the PRC, and a wholly-owned subsidiary of Ant Holdco;
"Alipay Entities"	Alipay, Alipay Singapore and Ant Bank (Macao);
"Alipay+ Solution" or "Alipay+"	a suite of global cross-border digital payment and marketing solutions launched by Ant Group;



“Alipay Singapore”	Alipay Singapore Holding Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of Ant Holdco;
“AMCM”	Autoridade Monetária de Macau (the Monetary Authority of Macao);
“Ant Bank (Macao)”	Ant Bank (Macao) Limited, a company incorporated under the laws of Macau with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this report;
“Ant Group”	Ant Holdco and its subsidiaries;
“Ant Holdco”	螞蟻科技集團股份有限公司 (Ant Group Co., Ltd.), a company organized under the laws of the PRC;
“Ant Technologies”	Ant International Technologies (Hong Kong) Holding Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of Ant Holdco;
“Board”	the board of Directors;
“Bye-law(s)”	the bye-law(s) of the Company;
“CEO”	chief executive officer;
“CLM”	世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;
“Company” or “AGTech”	AGTech Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on GEM;



"Director(s)"	the director(s) of the Company;
"GEM"	GEM operated by the Stock Exchange;
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Group"	the Company and its subsidiaries;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC;
"Macau" or "Macao"	the Macao Special Administrative Region of the PRC;
"Macau Pass"	Macau Pass S.A., a company incorporated under the laws of Macau and an indirect wholly-owned subsidiary of the Company;
"Macau Pass Group"	Macau Pass Holding Ltd. (an indirect wholly-owned subsidiary of the Company) and its subsidiaries (including Macau Pass);
"MOF"	the Ministry of Finance of China;
"MOP"	Macau patacas, the lawful currency of Macau;
"MPay"	the e-wallet operated by Macau Pass;
"PRC" or "China"	the People's Republic of China which, for the purpose of this report, refers to Chinese Mainland only;
"RMB"	Renminbi, the lawful currency of the PRC;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);



“Shanghai Caicai”	上海菜菜超市有限公司 (Shanghai Caicai Supermarket Co. Ltd.*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Alibaba Holding;
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company;
“Share Award Scheme”	the share award scheme of the Company adopted on March 17, 2017;
“Shareholder(s)”	holder(s) of the Share(s);
“Six-Month Period”	the six months ended September 30, 2024;
“SME(s)”	small and medium-sized enterprises;
“Sports Lottery”	the national sports lottery of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taobao”	淘寶(中國)軟件有限公司 (Taobao (China) Software Co., Ltd.*), a company established under the laws of the PRC and a subsidiary of Alibaba Holding;
“Welfare Lottery”	the national welfare lottery of China;
“ZCLM”	浙江世紀星彩企業管理有限公司 (Zhejiang Century Star Lottery Enterprise Management Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.



Notes:

1. In this report, the exchange rates of HK\$1.0783 to RMB1.00, MOP1 to HK\$0.9709 and INR1 to HK\$0.093 have been used for reference only.
2. The English translation of the Chinese company names in this report are included for reference only and should not be regarded as the official English translation of such Chinese company names.
3. In the event of any inconsistency, the English text of this report shall prevail over the Chinese text.



By order of the Board
AGTech Holdings Limited
Sun Ho
Chairman & CEO

Hong Kong, November 22, 2024

As at the date of this report, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Tung Pen Hung, Ms. Qin Yuehong and Mr. Ji Gang as non-executive Directors; and (iii) Mr. Chow Siu Lui, Mr. Chan Ka Leong and Ms. Yuen Kit Ming Fanny as independent non-executive Directors.

This report will remain on the "Latest Listed Company Information" page of the HKEXnews website operated by the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting and will be published on the website of the Company at www.agtech.com.

* For identification purpose only