



# Macau Pass S.A. 2022 - 2023 Corporate Social Responsibility Report



# Letter From Our Chariman and CEO



**Chairman & CEO  
of Macau Pass S.A.**

**Mr. Sun Ho**

Looking back on 2022, it was an extraordinary year both domestic and abroad. For Macau Pass S.A. ("Macau Pass" or "Comapny"), it was also full of challenges and changes, yet fruitful. The Company became an indirect wholly-owned subsidiary of AGTech Holdings Limited on March 24, 2022, and increased its capital to MOP100 million during the year to strengthen its solvency. On the foundation of building an integrated online and offline consumption scene and integrated payment service platform for users and merchants, we strove to innovate and actively cooperate with the Macao SAR government in the construction of smart city.

In 2022, Macao's economy was still affected by the COVID-19 pandemic. As one of the eight largest registered mobile payment platforms in Macao, Macau Pass has fully cooperated with the Macao SAR government in launching the "Third Round of Anti COVID-19 Electronic Consumption Benefits Program", the "Living Allowance Plan to Mitigate the Negative Impact of COVID-19 on Macao SAR Residents in 2022" and the "2022 City-wide Consumption Carnival". We hoped to connect with

and participate in the digital economy, encourage electronic consumption, and benefit the people with safe and convenient transactions to boost the economy of the region. In addition, Macau Pass actively fulfilled its social responsibility. In 2022, the amount of handling fees waived by Macau Pass exceeded MOP50 million, benefited approximately 11,300 SMEs overcome the difficulties ahead.

In 2022, under the guidance of the Guangdong-Hong Kong-Macao Greater Bay Area Development Plan Outline, Macau Pass, together with various resources, carried out extensive cross-border payment business cooperation between Macao SAR and Mainland China, promoted appropriate diversification of Macao's economy and targeted at the goal of convenient living, and promoted the development of local fintech industry by providing innovative solutions to encourage partnership and business integration of local merchants. We also intensified the connection and interaction among Macao, the Greater Bay Area and the Mainland's mobile financial infrastructure, getting ready for tapping into the 1.4 billion population market, jointly exploring overseas opportunities and promoting the global cycle.

In October 2022, MPay tapped into Taobao Tmall (Macao), and participated in the Double Eleven Festival for the first time. Later, MPay also participated in supporting the grand finale of the popular variety show "Street Dance of China" season 5 organised by Youku in Macao, which helped Macao to open up cooperation with leading groups in the Mainland and the Greater Bay Area in payment, culture and entertainment content

ecology. As the economic impact of COVID-19 fades, Macao's economy has begun to recover and more tourists are visiting. We are thrilled and are ready to take up the responsibility.

The Company is looking forward to working with leading groups in the Mainland and the Greater Bay Area market to explore services in payment, cultural and entertainment, tourism, new retail, membership system, marketing, logistics and finance. We tend to start off from urban consumption life and expand into more diversified local and cross-regional consumption scenes, and provide more extensive and convenient payment services for Macao residents.

In addition, through the network resources of the Group, the Company will develop cross-regional digital payment services, facilitate the gradual digitalization of offline merchant store transactions, users and products, and provide high-quality and convenient services for visitors to Macao, and establish and upgrade digital systems for merchants in Macao to help them optimize their operation and management.

As the builder and beneficiary of e-payment in Macao, the Company will actively promote the appropriate diversification of Macao's economy, promote the financial reform and innovation and opening-up of Guangdong-Macao In-Depth Cooperation Zone in Hengqin, take the livelihood service as the foundation, practice social responsibility, utilize our capacity to support the digital upgrading of all industries in Macao, for better integration into the overall development of our country and the Greater Bay Area.

## About Macau Pass S.A.

Macau Pass S.A. (“Macau Pass” or “Company”) is a non-bank financial institution with financial clearing business in Macao, and is also a credit institution qualified to issue cards in Macao. Macau Pass introduced cross-border mobile payment to Macao in 2015 and developed MPay app in 2018. Currently, it is the most popular payment app in Macao. Now, Macau Pass is actively integrating more payment scenarios to provide comprehensive services to local merchants, residents and tourists.

The construction of sustainable management and social responsibility system plays an important role in the overall strategic planning of Macau Pass. The goal is to promote business development and generate revenue for social welfare, manage the impact of the Company’s business on the environment and the society. Meanwhile, the Company is committed to sharing our philosophy of social responsibility across the ecosystem in order to promote the development and progress of all participants, and continuously create value for users, the industry and the society.

## Mission and Vision

Initially, Macau Pass Card was issued for the sake of digitizing the collection system of the city’s public transport. It has now become a contactless smartcard and multipurpose e-payment system. By means of continuous upgrading and providing e-payment services to various aspects of residents’ daily lives, e-wallet is further developed to suit the life style of the new era.

Macau Pass has always regarded it as our responsibility to assist the Macao SAR government in building Macao into a 21st century smart city, while leading the reformation of local fintech, it also contributes to the development of the Greater Bay Area. Currently, we focus immensely on building an ultimate hybrid platform through extensive cooperations for our users and merchants, combining payment services, e-commerce, multimedia marketing, and business networking altogether to create the most innovative, unique and comprehensive strategic effects to bring the local market to step into the next golden stage.

# Industry Section

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## Pursue Diversified Development and Recover for the Future

- According to data released by Monetary Authority of Macao SAR, the total transaction value of mobile payments in Macao rose from approximately MOP18.52 billion in 2021 to approximately MOP25.86 billion in 2022, an increase of approximately 39.6% year-on-year and more than 20-fold increase compared to 2019.
- As the new motivation of high-quality development in modern society, mobile payment under digital economy also enables people to lead a more intelligent and efficient daily life. With customer being our first priority, we are striving as always to bring richer digital content to more people in a more convenient and safe way.
- By the end of 2022, there were more than 4.5 million cumulative Macau Pass Cards in issuance. As one of the eight largest registered mobile payment platforms in Macao, registered users of MPay account for over 90% of local residents.
- The Company will continue to explore cooperation with leading groups in related fields in Mainland China and the Greater Bay Area market to further expand e-commerce and digital media entertainment, develop and create more diversified payment business scenes; to support more e-payment tools from overseas countries and regions, further facilitate the consumption of visitors to Macao, taking the opportunity of the economic development and digital transformation of Macao merchants, and explore commercialization opportunities in Macao's e-payment ecosystem market.

## Provision of Basic Business Capability Support for Small and Micro Enterprises (“SMEs”)

- Macau Pass has provided multi-scenario and high efficient payment services to over 27,000 payment points, covering almost all major payment scenarios. Through Macau Pass payment terminal, merchants can accept different payment methods including MPay, Macau Pass Card, and other payment service providers such as Alipay, Wechat and other third party e-wallets under the “Simple Pay” integrated payment system, greatly expanding the transaction scenarios and efficiency of merchants. Besides, Macau Pass provides efficient and convenient payment settlement services to merchants according to the agreement with the merchants.



The Macao SAR government launched the “Simple Pay” integrated payment system service in 2021, and Macau Pass’ MPay is one of the eight largest local registered mobile payment platforms participating in “Simple Pay”.

- Macau Pass also provides basic business data analysis functions to support merchants to make operational decisions. Currently, Macau Pass’ merchants can view the past 30 days’ settlement information and transaction data at the smart terminal provided by the Company. In the coming year, we plan to launch more support functions to enable merchants to view more basic information analysis such as change of transaction trend for the past 30 days at the smart terminal, which can help merchants quickly identify their operating situations.

## Support for SMEs to Expand Market and Overcome Challenges Together

- In order to stimulate Macao's local consumption demand and ease the financial pressure faced by local residents and enterprises in 2022, Macao SAR government launched the third round of "Electronic Consumption Benefits Plan" and announced in October 2022 to further increase the living subsidy start-up fund. Through three customer service centers, Macau Pass provided registration and account activation support services to promote the latest round of economic assistance from the Macao SAR



Using Macau Pass Card for payment on the first day of the launch of "Electronic Consumption Benefits Plan".

government. During the launch of the third round of "Electronic Consumption Benefits Plan", MPay launched a series of electronic consumption promotion activities, in which users can receive random discounts or consumption rebates during consumption process, as well as win prizes and earn bonus points, mCoin. The overall marketing expenses during the activities exceeded MOP20 million, effectively stimulating the local consumption in Macao.

- During the COVID-19 pandemic, Macau Pass responded actively to Macao SAR government's advocacy for the financial institutions to waive SMEs in Macao from transaction fees in order to support them to overcome the challenges ahead. In 2022, the amount of handling fees waived by Macau Pass exceeded MOP50 million, and the number of merchant rebates reached to approximately 11,300.



## Connecting Macao and Mainland China Markets and Sharing Opportunities in Guangdong-Hong Kong-Macao Greater Bay Area

- In order to satisfy the burgeoning consumption demand of Guangdong-Hong Kong-Macao Greater Bay Area residents, Macau Pass, as one of Macao's leading payment service providers to coordinate resources from different stakeholders, has extensively developed cross-border payment business cooperation between Macao and the Mainland, promoted the development of mobile payment in Macao, and contributed to the construction of smart city in Macao and the realization of convenient living.



Launching Ceremony of “Rewards for Consumption in Macao”, aiming to help Macao SAR government support SME revitalization and attract inbound tourists.

- From October 25, 2022, through the global cross-border digital payment and marketing solution “Alipay+”, launched by Ant Group, MPay has been officially launched on Taobao Tmall (Macao, China) to provide e-payment services. Real-name authenticated users of MPay who are Macao residents and other non-Mainland China residents can directly use MPay to pay in MOP when shopping online at Taobao Tmall (Macao, China). During the Double 11 shopping festival in 2022, MPay launched a number of promotions simultaneously, which allowed Macao residents to truly experience the joy of online shopping and a novel consumption experience. In addition, MPay users can also use mCoin to exchange Taobao's red packets. All the red packets, discount codes, payment vouchers, cross-store full discounts and other multiple promotions can be used in combination, allowing Macao residents to truly dive in the e-commerce shopping spree.



MPay tapped into Taobao Tmall (Macao, China) while Macau Pass promotes living conveniently in smart city.

On October 29, 2022, the finale of Youku street dance competition reality show “Street Dance of China” season 5 was held at the Cotai Arena of The Venetian Macao. As the ticket support platform for the Macao region, MPay provided a considerable number of tickets to the show on its platform, which can be redeemed with mCoin bonus points. This was an important effort by Macau Pass to fully utilize the potential power of online and offline scenarios.



In January 2023, an electronic campaign “Rewards for Consumption in Macao” coordinated by the Macao Economic and Technological Development Bureau, operated by the five major chambers of commerce and industry and Macau Pass, was officially launched on AlipayHK e-Wallet, aiming to attract Hong Kong tourists to Macao, and was expected to form a linkage effect with Macao Spring Festival events and boost

Macao's economy. Since mid-April 2023, Galaxy Macau, one of Asia's world-class leisure and entertainment integrated resorts, officially joined the campaign.





- In February 2023, AGTech Holdings Limited entered into a strategic cooperation agreement with Galaxy ICC & Arena Limited, Beijing Damai Cultural Media Development Co., Ltd., and Alibaba Pictures Group Limited. Pursuant to the strategic cooperation agreement, the parties thereto have agreed to establish a strategic cooperation by utilizing their respective resources and experiences for the purpose of organizing Macao cultural and entertainment activities and promoting the development of the cultural and entertainment industry in Macao. By relying on the convenience and inclusive development of the electronic payment of Macau Pass, and the advantages of experience in local marketing technology services in Macao, and by leveraging Galaxy’s infrastructure and resources, Damai’s leading online ticketing platform for live events in Mainland China 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.

- On May 11, 2023, the provision of acquiring services by Macau Pass with respect to the three Alipay+ partners’ e-wallets, namely GCash, Touch 'n Go eWallet and TrueMoney, has been approved. This means that in addition to Alipay, AlipayHK, WeChat Pay, and other e-wallets launched by other banks for Simple Pay in Macao, Macau Pass payment devices can now also accept three leading overseas e-wallets namely GCash from the Philippines, Touch 'n Go eWallet from Malaysia and TrueMoney from Thailand, following Kakao Pay from South Korea.



# Society Section

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## Jointly Built Infrastructure Platform to Digital Transformation

- In 2023, Macao is gradually recovering from the Covid-19 pandemic and reopening to the world. With most travel restrictions recently lifted and the resumption of electronic visa application for Mainland China tourists to visit Macao, an increase in incoming visitors will be an important driver for Macao's economic recovery. According to statistics from Macao Government Statistics and Census Service, in April 2023, the number of inbound tourists in Macao reached 2.27 million, 2.7 times higher than the previous year and 16.2% higher than the previous March. Macao received 7.22 million inbound tourists from January to April 2023, up 1.9 times year-on-year. The number of tourists from Mainland China in April reached 1.38 million, an increase of 1.6 times year-on-year. The number of visitors from Hong Kong reached 740,000, up 10.4 times year-on-year.
- As one of the leading payment service providers in Macao, the Company strives to contribute to the local fintech development and smart city transformation for Macao and the Greater Bay Area through offering its contactless smart cards, e-wallets and multi-purpose e-payment systems. The Company is committed to enabling consumers and small businesses with access to technology and sustainable payment experiences. Through enhancing infrastructure and platform, it is the Company's aim to support the digital transformation of financial services in the Greater Bay Area.

## Provision of Reliable Products and Services

- The Company's MPay products currently cover 13 debit card issuers and 5 credit card issuers in Macao. Through MPay and Macau Pass Card, we provide integrated e-wallet and card payment services to Macao users and cover almost all major payment scenarios, such as user-to-user transfers, government payments, telecommunications and utility bill payments, public transport, online ticketing, parking fees and bus fares. We also support cross-border scenarios such as the Hong Kong-Zhuhai-Macao Bridge shuttle bus ticketing service and acquiring service with Octopus Card, which greatly facilitate users' daily life.
- We protect the data of MPay and Macau Pass Card users through end-to-end communication encryption, desensitized printing of sensitive data, and the use of advanced data encryption. We also conduct multiple effective security verifications for user accounts and account security, such as logins when switching devices and changing/retrieving payment passwords.
- We also prevent malicious theft through blacklists, daily/monthly/yearly limits and frequency limits to enhance users' transaction security. Macau Pass Card adopts advanced standards and encryption algorithms to protect card users. Our payment products have a high success rate and millisecond response time, providing users with a smoother payment experience.

- Macau Pass Dynasty District Flagship Store celebrated its grand opening on November 21, 2022, bringing more innovative and comprehensive technology and better e-financial services to Macao residents.



- We have set up a dedicated call center to provide 24-hour report lost hotline. Locally, we also set up a professional customer service team to provide 3 offline customer service centers, providing comprehensive online plus offline customer service. In addition, we provide on-line replies for frequently asked questions on our official website, MPay app also provides convenient customer services like on-line transaction inquiry and refund application.



## Trust Building

- As an “other credit institution” licensed under AMCM, Macau Pass strictly follows the “Regulations on Anti-Money Laundering and Combating the Financing of Terrorism” issued by AMCM, and has formulated a series of internal control policies and practice measures. Equipped with a multi-dimensional anti-money laundering and anti-terrorism financing scanning system provided by professional payment service providers, a professional risk control and compliance team was set up to manage and monitor such matters. In 2022, we specifically engaged an external auditor to conduct an independent assessment on the internal control framework of AML/CFT, with a view to continuously enhancing the risk control capability. For identified suspicious transactions, the Risk Control and Compliance Department of Macau Pass will conduct transaction investigation solely or jointly with relevant business departments to create a proper transaction environment.
- The Company has strictly abided by the relevant law and regulations such as the Personal Data Protection Act of Macao, and has formulated a series of strict user data security management policies and measures. All employees are required to participate in a data security test when joining the Company, and the Company provides promotion and training on data security for employees from time to time.
- The Company has established management regulations related to data acquisition and transmission, secure storage, encryption protection, authorized access and use/destroy to enhance data security management and encryption protection. We strictly limit the access of internal staff to users’ private information, adopt classification and hierarchy management for customer information, set up systematic permission management for personnel accessing private information, and keep database logs for the operation of private information, as well as organize regular training on data security and confidentiality to prevent the risk of data leakage, lost or tampering from information, personnel and process.
- In addition, the Company strictly follows the principle of “minimum necessary scope” in disclosing customer information, whenever customer information is required to be disclosed to third parties, prior written disclosure review is done, and the disclosure is limited to third parties authorized by the customer, this is done to strictly protect customer data and privacy.
- In regard to the electronic payment and related business in Macao, the Company conducts its advertising activities in accordance with Macao SAR government Law No.7/89/M “Regulations Regarding Advertising Activities” to ensure that the information contained in the advertisements is legal, true, not misleading and not detrimental to the basic values of the society, and complies with the principles of free and fair competition and safeguarding consumers’ interests.
- Trademarks used by Macau Pass for carrying on its businesses have been registered in Macao, Hong Kong and the Mainland, and registrations have also been made in respect of certain softwares’ copyrights. The Company has entered into business co-operation agreements and licence deeds when it comes to licensing or granting the use of intellectual property rights of/to third party business partners.

## Active Participation in Public Welfare, Encourage Employees to Participate in Public Welfare Activities

- We encourage every employee to actively participate in charity activities, such as the “Three Hours for All”. Employees can accumulate charity hours by participating in activities such as charity donations, walking donations and shopping for a good cause.
- In order to better organize public welfare activities, we established the Macau Pass Charity Volunteer Team in 2022 to conduct social welfare activities and fulfill our corporate social responsibilities (“CSR”) by organizing activities on a regular basis to contribute to the society through actions.
- In November 2022, in support of the 5th “Macao Water Run” to arise public awareness of the importance of water conservation and improving the quality of life for people in Mainland China who have difficulties in accessing clean water, Macau Pass cooperated with Alibaba Cloud (Macau) to actively participate in the 3-kilometer race, to convey the advantages of sports for a good cause to the community.
- In April 2023, Macau Pass participated in the “2023 Friendship Walk”, creating one-to-one friendship for people with intellectual and developmental disabilities, help them integrating into employment and bring them back to normal life.



The Company has always valued its involvement in charity activities and has supported a number of activities over the years. We also actively support and participate in social and charity donation activities organized by other companies through our products and services. Within the MPay product line, we have set up a “Donate with Love” function, which allows MPay users to donate to charity organizations. In 2022, we cooperated with Cathay Pacific’s “Asia Miles” in the “Social Goods Redemption” program, whereby “Asia Miles” accumulated can be exchanged for mCoin to rescue and support the elder and sick animals staying in the hospice run by an affiliate of the Everyone Stray Dogs Macau Volunteer Group.



Using mCoin to exchange for thermal bottles to support abandoned animals.



Cooperated with “Eslite Café” to raise funds totalling over MOP62,000 in 2022 for The Macau IC2 Association to show our support to people with disabilities.

Local staff of Macau Pass visited National Security Education Exhibition.



## Green and Carbon Reduction Action

- The Company is committed to continuously promoting less-paper/paperless office initiatives, such as the implementation of standardized billing with suppliers for employees' business travel and hotel accommodation in Mainland China, and the use of electronic invoice reimbursement with the support of the employee reimbursement system to reduce the use of paper under traditional reimbursement procedures. In addition, we purchased eco-friendly paper and encouraged carbon-saving behaviors such as double-sided printing.
- Furthermore, the Company emphasizes the use of online office software and online communication tools, such as Alilang video/voice conference and DingTalk video/voice conference and encourages employees to use email and DingTalk for communication to reduce non-essential travel and thus reduce additional energy consumption. In addition, we encourage employees to use public transportation (subways and buses instead of taxis) to conduct business.



## Carbon Reduction Action for Merchant Platforms, MPay Users and the Retail Sector

We have suggested a Macao merchant's online food delivery platform to reduce paper consumption by reducing the printing of receipts as well as reducing the takeaway printing paper usage by adjusting the font size and spacing of words printed thereon. In the future, the Company will continue to push forward the carbon reduction action to more merchant platforms to contribute further to the carbon reduction action. In addition, the thermal paper used in the Company's payment devices in Macao uses degradable and eco-friendly paper certified by The Forest Stewardship Council (FSC).



From May 2022 until June 2023, Macau Pass launched the “Use Electronic Consumption Benefits with MPay” campaign to help merchants improve business by promoting consumers to redeem electronic vouchers.

- In December, 2022, MPay launched “Group Red Packets” to allow a personalized feature for sending red packets in Chinese New Year, which helped reduce the use of paper red packets in Macao.



- We provide digital marketing services to our partner merchants. The mCoin loyalty platform, point-of-sale terminals or merchant mobile apps are used to provide merchants with e-coupon marketing promotions and in-store redemption services, thereby reducing the use of posters and paper coupons in traditional offline marketing campaigns. In the future, the Company will fully assist in the digital upgrade of merchant marketing, through cooperation with more cross-border online platforms and the full digitalization of tickets and coupons, to help build Macao into a smart city and reduce the cost of social carbon emissions.



# Talent Development Section

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## Teams work together actively and harmoniously

- We put our core values in team building, talent development and organizational culture. Talent is the foundation for the Company and organization to maintain vitality, creativity and power of execution. The Company provides a fair and friendly workplace, work, training and interaction environment, ensure the health, safety and basic rights and interests of every employee, in addition to a generous welfare plan and a sound career development system for employees, thus allowing everyone to thrive.

## Equal, Respectful Workplace and Culture, Provision of Adequate Career Development and Training Opportunities

- The Company attaches great importance to the development and training of employees. We have formulated a series of employment policies on the basis of compliance with the labor laws of local government. Concurrently, we create an equal, respectful, diverse and tolerant working environment and culture for our employees, and also provide competitive remuneration and fringe benefits.
- The Company provides sufficient career development and training opportunities for our employees, and build a communication bridge between employees and management programs such as “CEO Roundtable”, “Seminar with HaoGe” and “CTO Quarterly Sharing Session” for the understanding of the Company’s business map and achieving team consensus and cohesion.
- We also provide internal and external skill training, covering various topics and skills training on office software and system usage, important internal control policies, listing compliance requirements, leadership enhancement as well as management interaction and communication, to enhance the professional capabilities of our employees and promote internal career development opportunities such as promotions and job rotations.
- In addition, we also put emphasis on the physical and mental health of our employees, we provide them with a safe and healthy working environment, emergency response protection, and a series of team building and travel funds to help employees relax after work and enhance team cohesiveness.



Employees from Mainland China, Hong Kong and Macao gathered together in AGTech Holdings Limited 2023 annual dinner to celebrate Macau Pass’ acquisition anniversary.

“Sunflower Award Ceremony” to award employees for their excellent customer services.



Staff training activity,  
“CEO Research Projects”



Staff training activity,  
“The Ode to Gallantry”



## Build An Education Base to Encourage Youth Growth

- The Company actively cooperates with Macao Education and Youth Development Bureau, focuses on promoting the educational development of students and teenagers in Macao, gathering various social groups, carrying out a series of education projects, such as patriotic-theme for Macao, inclusive of finance and social participation, and striving to make contribution to gradually improving the comprehensive quality of Macao teenagers.

To commemorate the 104th anniversary of the May 4th Movement, Macau Pass sponsored the University of Macau at its 25th Student Union Youth Leadership Summit.



General Association of Chinese Students of Macao visited Macau Pass.



Students from the Applied Science Section of Macau Pui Ching Middle School visited Macau Pass.

# About This Report

## **This Report is the First CSR Report Released by Macau Pass S.A.**

### About the time span of this report

The time span of this report is primarily from January 2022 to May 2023, while some of the contents also cover data and cases beyond this period.

### About the data of this report

The data in the report is derived from Macau Pass' internal statistics, corporate documents and reports, third-party surveys, etc.

### About the content of this report

This report is free from false information and misleading statements, and Macau Pass guarantees the truthfulness, accuracy and completeness of its contents.

If you have any suggestions or comments, please feel free to contact us at:

Corporate Social Responsibility Department, Macau Pass S.A.

E-mail: [tyler.tl@agtech.com](mailto:tyler.tl@agtech.com) [hugh.mak@macaupass.com](mailto:hugh.mak@macaupass.com)