



**MCEX 滴灌通澳交所**

## 2023 Annual Report



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period from 13 January 2023 (date of incorporation) to 31 December 2023

	Period from 13 January 2023 (date of incorporation) to 31 December 2023 MOP
Revenue	7,820,205
Other income	8,552,524
Other losses	(656,321)
Operating expenses	(53,959,099)
Loss before tax	(38,242,691)
Income tax expense	-
Loss for the period	(38,242,691)
Other comprehensive (expense) income for the period	
<i>Items that may be reclassified subsequently to profit or loss:</i>	
Exchange difference arising on translation of foreign operations	(100,897)
<i>Items that will not be reclassified to profit or loss:</i>	
Exchange difference on translation from functional currency to presentation currency	355,126
Other comprehensive income for the period	254,229
Total comprehensive expense for the period	(37,988,462)

# Statement of Profit or Loss and Other Comprehensive Income

For the period from 13 January 2023 (date of incorporation) to 31 December 2023

	Period from 13 January 2023 (date of incorporation) to 31 December 2023 MOP
Revenue	7,820,205
Other income	7,990,317
Other losses	(639,474)
Operating expenses	(34,860,732)
Loss before tax	(19,689,684)
Income tax expense	-
Loss for the period	(19,689,684)
Other comprehensive income for the period	
<i>Items that will not be reclassified to profit or loss:</i>	
Exchange difference on translation from functional currency to presentation currency	100,897
Total comprehensive expense for the period	(19,588,787)

# Consolidated Statement of Financial Position

At 31 December 2023

	MOP
<b>ASSETS</b>	
<b>Non-current Assets</b>	
Property and equipment	7,291,946
Rental deposits	620,435
	<b>7,912,381</b>
<b>Current Assets</b>	
Other receivables and prepayments	667,321
Cash and cash equivalents	580,246,515
	<b>580,913,836</b>
<b>Total Assets</b>	<b>588,826,217</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Capital and reserves</b>	
Share capital	120,000,000
Reserves	(37,481,806)
<b>Total Equity</b>	<b>82,518,194</b>
<b>LIABILITIES</b>	
<b>Non-current Liability</b>	
Amount due to the immediate holding company	60,000,000
<b>Current Liabilities</b>	
Accounts payable to Daily Revenue Obligation ("DRO") and Daily Revenue Portfolio ("DRP") investors	155,126,311
Other payables and accruals	18,106,866
Amount due to the immediate holding company	259,961,618
Amounts due to related companies	13,113,228
	<b>446,308,023</b>
<b>Total liabilities</b>	<b>506,308,023</b>
<b>Total equity and liabilities</b>	<b>588,826,217</b>

LI XIAOJIA CHARLES

DIRECTOR

ZHANG GAOBO

DIRECTOR

# Statement of Financial Position

At 31 December 2023

	MOP
<b>ASSETS</b>	
<b>Non-current Assets</b>	
Property and equipment	7,268,869
Rental deposits	620,435
Investment in a subsidiary	25,000
	7,914,304
<b>Current Assets</b>	
Amounts due from subsidiaries	13,033,647
Other receivables and prepayments	654,854
Cash and cash equivalents	413,089,871
	426,778,372
<b>Total Assets</b>	<b>434,692,676</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Capital and reserves</b>	
Share capital	120,000,000
Reserves	(19,082,131)
<b>Total Equity</b>	<b>100,917,869</b>
<b>LIABILITIES</b>	
<b>Non-current Liability</b>	
Amount due to the immediate holding company	60,000,000
<b>Current Liabilities</b>	
Other payables and accruals	8,272,598
Amount due to the immediate holding company	259,859,328
Amount due to a related company	5,642,881
	273,774,807
<b>Total liabilities</b>	<b>333,774,807</b>
<b>Total equity and liabilities</b>	<b>434,692,676</b>

LI XIAOJIA CHARLES

DIRECTOR

ZHANG GAOBO

DIRECTOR

# Consolidated Statement of Changes in Equity

For the period from 13 January 2023 (date of incorporation) to 31 December 2023

	Share capital MOP	Other reserve MOP	Translation reserve MOP	Accumulated loss MOP	Total MOP
Issue of share on 13 January 2023 (date of incorporation) (Note 13)	120,000,000	-	-	-	120,000,000
Loss for the period	-	-	-	(38,242,691)	(38,242,691)
Other comprehensive income for the period	-	-	254,229	-	254,229
Total comprehensive expense for the period	-	-	254,229	(38,242,691)	(37,988,462)
Recognition of equity settled share-based payments granted by the immediate holding company (Note 7)	-	506,656	-	-	506,656
At 31 December 2023	120,000,000	506,656	254,229	(38,242,691)	82,518,194

## Statement of Changes in Equity

For the period from 13 January 2023 (date of incorporation) to 31 December 2023

	Share capital MOP	Other reserve MOP	Translation reserve MOP	Accumulated loss MOP	Total MOP
Issue of share on 13 January 2023 (date of incorporation) (Note 13)	120,000,000	-	-	-	120,000,000
Loss for the period	-	-	-	(19,689,684)	(19,689,684)
Other comprehensive income for the period	-	-	100,897	-	100,897
Total comprehensive expense for the period	-	-	100,897	(19,689,684)	(19,588,787)
Recognition of equity settled share-based payments granted by the immediate holding company (Note 7)	-	506,656	-	-	506,656
At 31 December 2023	120,000,000	506,656	100,897	(19,689,684)	100,917,869

# Consolidated Statement of Cash Flows

For the period from 13 January 2023 (date of incorporation) to 31 December 2023

	Period from 13 January 2023 (date of incorporation) to 31 December 2023 MOP
<b>OPERATING ACTIVITIES</b>	
Loss before tax	(38,242,691)
Adjustments for:	
Depreciation of property and equipment	1,263,729
Interest income	(8,552,524)
Recognition of share-based payments expenses	506,656
Unrealised foreign exchange losses	732,004
Operating cash flows before movements in working capital	(44,292,826)
Increase in other receivables and prepayments	(302,274)
Increase in accounts payable to DRO and DRP investors	155,126,311
Increase in other payables and accruals	16,576,651
Increase in amount due to a related company	12,226,878
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>139,334,740</b>
<b>INVESTING ACTIVITIES</b>	
Payments for purchase of property and equipment	(7,025,460)
Payments for rental deposits	(620,435)
Interest received	8,187,477
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>541,582</b>
<b>FINANCING ACTIVITIES</b>	
Proceeds from issuance of shares	120,000,000
Advance from the immediate holding company	319,961,618
Advance from related companies	886,350
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>440,847,968</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>580,724,290</b>
Effect of foreign exchange rate changes	(477,775)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by cash and cash equivalents</b>	<b>580,246,515</b>



# Statement of Cash Flows

For the period from 13 January 2023 (date of incorporation) to 31 December 2023

	Period from 13 January 2023 (date of incorporation) to 31 December 2023 MOP
<b>OPERATING ACTIVITIES</b>	
Loss before tax	(19,689,684)
Adjustments for:	
Depreciation of property and equipment	1,261,005
Interest income	(7,990,317)
Recognition of share-based payments expenses	506,656
Unrealised foreign exchange losses	805,305
Operating cash flows before movements in working capital	(25,107,035)
Increase in other receivables and prepayments	(289,807)
Increase in other payables and accruals	6,742,383
Increase in amount due to a related company	5,642,881
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(13,011,578)</b>
<b>INVESTING ACTIVITIES</b>	
Payments for purchase of property and equipment	(7,025,460)
Advance to subsidiaries	(13,033,647)
Payments for rental deposits	(620,435)
Capital injection for a subsidiary	(25,000)
Interest received	7,625,270
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(13,079,272)</b>
<b>FINANCING ACTIVITIES</b>	
Advance from the immediate holding company	319,859,328
Proceeds from issuance of shares	120,000,000
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>439,859,328</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>413,768,478</b>
Effect of foreign exchange rate changes	(678,607)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, represented by cash and cash equivalents</b>	<b>413,089,871</b>

## 2023 Business Report Summary

With our mission to connect global capital with micro and small businesses, Micro Connect Macao Financial Assets Exchange (“MCEX”) was established under the approval of the Chief Executive of the Macao Special Administrative Region in Executive Order No. 47/2022. Under the supervision and management of the Monetary Authority of Macao, MCEX has been operating smoothly and facilitated investments in more than ten thousand micro and small businesses, gaining widespread attention and recognition in the process. The key business highlights of 2023 include:

**Product:** MCEX strives to connect global capital with micro and small businesses with a suite of revenue-based financing products. Through the three-tier product conversion of “Daily Revenue Contract (DRC) – Daily Revenue Obligation (DRO) – Daily Revenue Portfolio (DRP)”, we transform the funding needs of tens of thousands of micro and small businesses into investment opportunities palatable to global institutional capital.

**System:** MCEX operates a comprehensive system for product registration, listing, trading, custody, clearing, and settlement. Moreover, as DRC and DRO are revenue-based financing products, MCEX also developed the nationwide Automated Repayment Mechanism (“ARM”) to capture data flows and cash flows from micro and small businesses.

**Qualified Investors:** As of December 31, 2023, MCEX has 53 registered members, which include commercial banks, securities companies, asset management institutions, wealth management institutions, VC funds, PE funds, hedge funds, and other financial institutions.

**Operations:** MCEX has been operating smoothly since launch. As of December 31, 2023, the cumulative total assets listed by MCEX was RMB3.94 billion, covering more than 11,000 stores in 270 cities and 688 brands, as well as capturing RMB830 million<sup>1</sup> of daily revenue shares for its qualified investors. MCEX also successfully listed five DRP products.

**Credit Rating:** In December 2023, the credit rating agency CSPI Ratings published a report and assigned a preliminary rating of A(sf) to DRO-backed senior loans, which are backed by a portfolio of DROs listed on MCEX. This is the first instance of a financial product with DRO as its underlying asset to receive an international rating. It serves as a crucial reference for expanding the DRO-based investment and financing market for micro and small businesses.

**Risk Management:** Since launch, MCEX has implemented various risk management measures and internal controls. Through these risk control measures, MCEX has operated smoothly without any critical incidents and in compliance with relevant rules and regulations.

Looking forward to 2024, we will continue to develop our business and attract more market participants, supporting the sustainable growth of MCEX and the financial industry of Macao as a whole. We introduced MCEX Market Accepted Protocol (“MAP”) on January 16, 2024 to develop a market-friendly set of standards, principles, and guidelines to further refine our information disclosure and increase investor protection. With the introduction of MAP, MCEX enters its next stage of development to build a vibrant ecosystem: We hope to see global investors making independent investment judgements, micro and small businesses determining the amount, cost, and conditions of financing they seek, and various intermediaries leveraging their expertise to provide professional services to market participants.

We hope to continue to capitalize on Macao’s institutional advantages and highly open financial system to attract international capital to Macao. Through connectivity between onshore and offshore markets, we strive to precisely empower micro and small businesses in China, and to contribute to the diversification of Macao’s economy as well as the high-quality development of China’s economy.

**LI XIAOJIA CHARLES**

*Chairman of the Board*

27 March 2024

<sup>1</sup> Daily revenue shares captured covers the period from March 25, 2023 (commencement of trial operation) to December 31, 2023.

## The Report from the Supervisory Board

In accordance with the laws of Macau and the Articles of Association of the Micro Connect (Macao) Financial Assets Exchange Co., Ltd. (the “Company”), the supervisory committee of the Company (the “Supervisory Committee”) shall monitor the operation and management of the Company and express its opinion on the annual accounts, the Report of the Board of Directors and the proposal for the use of surplus submitted by the Board of Directors.

During 2023, the Supervisory Committee carried out the duties of supervision over the Company, and reviewed the Auditor’s Report issued on 27 March 2024, following the audit of the annual accounts by Deloitte. In our opinion, the financial statements has truly and fairly reflected the financial position and the operating result and cash flow of the Company as at 31 December 2023 in accordance with the Financial Reporting Standards of Macau Special Administrative Region, the People’s Republic of China.

Based on the results of the above view, the Supervisory Committee is of the opinion that the annual accounts, the Report of the Board of Directors and the proposal for the use of surplus submitted by the Board of Directors are eligible for approval at the general meeting.

**VA QUIN**  
*SUPERVISOR*

27 March 2024

# REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Micro Connect (Macao) Financial Assets Exchange Co., Ltd.

The accompanying summary consolidated financial statements, which comprise the consolidated and company statements of financial position as at 31 December 2023, the consolidated and company statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, are derived from the audited consolidated financial statements of Micro Connect (Macao) Financial Assets Exchange Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") for the period from 13 January 2023 (date of incorporation) to 31 December 2023. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 27 March 2024.

The summary consolidated financial statements do not contain all the disclosures required by the Financial Reporting Standards of Macau Special Administrative Region, approved by Order of the Secretary for Economy and Finance No. 44/2020. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the Group.

## Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with Law No. 13/2023 (the Financial System Act).

## Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements, included in the Standards on Auditing approved by the Notice No. 2/2021/CPC.

## Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of the Group for the period from 13 January 2023 (date of incorporation) to 31 December 2023 are consistent, in all material respects, with those consolidated financial statements, in accordance with Law No. 13/2023 (the Financial System Act).

**Kuan Ho Weng**

*Certified Public Accountant*

**Deloitte Touche Tohmatsu – Sociedade de Auditores**

Macau

27 March 2024

## A List of the Company Holding in Excess of 5% in the Share Capital;

Micro Connect (Macau) Management Limited 100%

## Particulars of Principal Subsidiaries of the Company

Micro Connect (H.K.) Management Limited	100%
Micro Connect Management Consultancy (Hengqin) Limited	100%
Micro Connect Investment (Hengqin) Company Limited	100%
Micro Connect Management Consultancy (Hainan) Limited	100%
Micro Connect Investment (Hainan) Company Limited	100%

## A List of Shareholders of the Company:

New Markets (BVI) Limited  
Micro Connect Investment Assets Holding Limited  
Micro Connect Capital Limited

## Corporate Information:

Board of Directors:

LI XIAOJIA CHARLES	<i>(Chairman of the Board)</i>
ZHANG GAOBO	<i>(Vice Chairman of the Board)</i>
CHENG SAMSON TSZ KIT	<i>(Corporate Development Director)</i>
QIAN QIU MING	<i>(Chief Executive Officer)</i>
DUANMU ZHENYU	<i>(Chief Architect Officer)</i>
WAN SIN LONG	<i>(Independent Director)</i>

Supervisory Committee:

VA QUIN  
CHAN LAP TAK JEFFREY  
ZHANG HUAQIAO

Company Secretary :

CHUI CALVIN TINLOP