Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

AGTech
www.agtech.com

AGTech Holdings Limited
亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

PROFIT WARNING

This announcement is made by AGTech Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 17.10(2)(a) of The Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, based on its preliminary assessment of the latest unaudited consolidated management accounts of the Group, it is expected that the loss for the six months ended June 30, 2022 (the "**2022H1**") will increase to not less than HK$84 million, as compared to a loss of approximately HK$43.7 million for the six months ended June 30, 2021 (the "**2021H1**").

The expected increase in the loss for 2022H1 as mentioned above was primarily attributable to the combination of factors as follows:

(i) there was an increase in revenue of the Group by over 70% for 2022H1 mainly as a result of the consolidation of the financial statements of Macau Pass Holding Limited and its subsidiaries (the "**Macau Pass Group**") into the financial statements of the Group upon completion of acquisition of the entire equity interest in Macau Pass Holding Limited and 1% of equity interest in Macau Pass S.A. by the Group on March 24, 2022, which was partially offset by an increase in other operating expenses of the Group by over 120% for 2022H1 as compared to such expenses for 2021H1, after inclusion of other operating expenses of the Macau

Pass Group, such as service fees paid to other payment service providers, and marketing expenses in relation to promotion campaigns relating to the 2022 Electronic Consumption Benefits Plan in the Macao Special Administrative Region of the People's Republic of China. In addition, Autoridade Monetária de Macau (the Monetary Authority of Macao) has promoted financial institutions to exempt the transaction acquiring fee charged to small and medium enterprises for the Simple Pay system from October 1, 2021 to September 30, 2022 in order to support these enterprises during the pandemic;

(ii) there was a decrease in employee benefits expenses of the Group by over 20% for 2022H1 despite the inclusion of the Macau Pass Group's employee benefits expenses as the Group implemented restructuring last year for costs control to maintain its competitive position;

(iii) it is expected that the depreciation and amortization expenses of the Group will increase to not less than HK$23 million for 2022H1, as compared to the depreciation and amortization expenses of approximately HK$10 million for 2021H1, mainly due to the consolidation of the depreciation and amortization expenses of the Macau Pass Group into the financial statements of the Group and amortization expenses on the fair value of identifiable intangible assets, i.e. brand name, customer and business relationship arising from the acquisition of the Macau Pass Group;

(iv) it is expected that there will be a fair value loss on the convertible term loan facilities provided by the Group to its 45%-owned joint venture company in India, Paytm First Games Private Limited, of not less than HK$26 million, mainly due to an increase in market interest rates during 2022H1 as compared to a fair value loss of approximately HK$537,000 for 2021H1; and

(v) the Group expects to record a net other loss of not less than HK$6 million for 2022H1 due to the fluctuation of foreign exchange rates, as compared to a net other gain of approximately HK$7.5 million for 2021H1.

The information contained in this announcement is based only on a preliminary assessment by the Board with reference to the Group's unaudited consolidated management accounts and information currently available to the Company. This information has not been audited or reviewed by the auditors or the audit committee of the Company.

As the Company is still in the process of finalizing its interim results for 2022H1 (the "**2022H1 Results**"), the actual results may differ from what is disclosed in this announcement. Further details of the Company's 2022H1 Results will be provided in the Company's 2022H1 Results announcement.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, July 25, 2022

* *For identification purpose only*

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Liu Zheng, Mr. Li Jie, Mr. Ji Gang and Mr. Zou Liang as non-executive Directors; and (iii) Mr. Feng Qing, Dr. Gao Jack Qunyao and Mr. Chow Siu Lui as independent non-executive Directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

This announcement 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.