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AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – ACQUIRING SERVICE BUSINESS COOPERATION

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2021 Announcement and the 2021 Circular in relation to, among others, the acquiring service business cooperation under the 2021 Framework Agreement.

As the 2021 Framework Agreement will expire on December 31, 2023, the Company entered into the 2023 Framework Agreement with the Alipay Entities on October 27, 2023 to renew the existing continuing connected transactions under the 2021 Framework Agreement for a term commencing from the Effective Date to March 31, 2026 and to set the annual caps for the transactions contemplated thereunder for the period from the Effective Date to March 31, 2026 (i.e. the Annual Caps).

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Ali Fortune, the controlling shareholder of the Company holding 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital 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. Alipay is a direct wholly-owned subsidiary, and Alipay Singapore is an indirect wholly-owned subsidiary, of Ant Holdco. Ant Bank is an indirect 66.7%-owned subsidiary of Ant Holdco and its other 33.3% equity interest is held by a 30% indirectly owned associated company of the Company. Ant Holdco and the Alipay Entities are associates of Alibaba Holding. By virtue of the aforesaid relationships, members of the Alipay Entities Group are connected persons of the Company, and therefore the 2023 Framework Agreement and the transactions contemplated thereunder between the Group and the Alipay Entities Group constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

* For identification purposes only

As one or more of the applicable percentage ratios in respect of the highest Annual Cap will exceed 5%, the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) will be subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Independent Board Committee has been established to provide recommendation to the Independent Shareholders on terms of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps). Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things: (i) details of the 2023 Framework Agreement and the Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in the aforesaid regard; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders by no later than December 4, 2023, as additional time is required for the Company to prepare and finalize the relevant information for inclusion in the circular.

BACKGROUND

Reference is made to the 2021 Announcement and the 2021 Circular in relation to, among others, the acquiring service business cooperation under the 2021 Framework Agreement.

As the 2021 Framework Agreement will expire on December 31, 2023, the Company entered into the 2023 Framework Agreement with the Alipay Entities on October 27, 2023 to renew the existing continuing connected transactions under the 2021 Framework Agreement for a term commencing from the Effective Date to March 31, 2026 and to set the annual caps for the transactions contemplated thereunder for the period from the Effective Date to March 31, 2026 (i.e. the Annual Caps).

2023 FRAMEWORK AGREEMENT

On October 27, 2023, the Company and the Alipay Entities entered into the 2023 Framework Agreement to renew the existing continuing connected transactions under the 2021 Framework Agreement, the principal terms of which are set out below:

Date

October 27, 2023

Parties

- (1) The Company (for itself and on behalf of its subsidiaries);
- (2) Alipay (for itself and on behalf of its direct or indirect subsidiaries and affiliates);
- (3) Alipay Singapore (for itself and on behalf of its direct or indirect subsidiaries and affiliates); and
- (4) Ant Bank (for itself and on behalf of its direct or indirect subsidiaries and affiliates).

The Alipay Entities are associates of Alibaba Holding and hence members of the Alipay Entities Group are connected persons of the Company.

Term and conditions precedent

Subject to the satisfaction of the conditions precedent under the 2023 Framework Agreement as set out below, the term of such agreement shall commence from the Effective Date to March 31, 2026:

- (i) the Company having obtained the approval of the Board and the Independent Shareholders at the SGM by way of poll in relation to the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) in accordance with the GEM Listing Rules; and
- (ii) each of the Company and the Alipay Entities having complied with all requirements as may be imposed by the relevant regulatory authorities (including the Stock Exchange) in relation to the 2023 Framework Agreement and the transactions contemplated thereunder, if any, and having obtained all authorizations, approvals and permits necessary for the performance of its respective obligations under the 2023 Framework Agreement and the transactions contemplated thereunder in accordance with all applicable legal and regulatory requirements (including the GEM Listing Rules).

Acquiring service business cooperation

- (1) The operating entities of the Alipay Entities and the Group shall carry out their business cooperation in accordance with the specific execution agreements as described in paragraph (4) below which shall set out their respective rights and obligations under such cooperation.
- (2) Macau Pass, an indirect wholly-owned subsidiary of the Company, shall provide acquiring service to the merchants (the “**MP Merchants**”) via Macau Pass’ payment terminals, merchant QR code or online payment gateway, enabling the MP Merchants to accept different third party payment platforms, including but not limited to the E-Wallets.

- (3) The Alipay Entities shall provide the services of processing, authorization and settlement of payments made by users via the E-Wallets and such services shall include transactions initiated by either:
- (a) the MP Merchants scanning the barcode or QR code generated in the relevant E-Wallet app installed on the users' smartphones (or portable devices) with the point-of-sale terminals or app of the MP Merchants; or
 - (b) the users scanning the barcode or QR code displayed at the MP Merchants using the scanning feature in the relevant E-Wallet app installed on the users' smartphones (or portable devices).
- (4) For the purposes of setting out detailed terms of execution of the continuing connected transactions (the "CCTs") contemplated under the 2023 Framework Agreement, the operating entities designated by the Group (i.e. Macau Pass) and the Alipay Entities to implement the business cooperation contemplated under such master framework agreement may from time to time enter into specific execution agreements (or supplemental agreements thereto) (collectively, the "**Specific Execution Agreement(s)**") which set out the detailed terms of execution in relation to the CCTs in accordance with the broad terms agreed in the 2023 Framework Agreement. The terms of the Specific Execution Agreements are expected to include, but not limiting to:
- (a) details of the business cooperation and responsibilities of each party;
 - (b) the Service Fees payable by Macau Pass to the Alipay Entities;
 - (c) the fund settlement process, payment method and payment schedule adopted by the Alipay Entities;
 - (d) where applicable, any designated payment scenarios (such as vending machines, self-service kiosks, car parks, parking meters etc.) which are agreed to be included in the scope of the business cooperation;
 - (e) the right of the Alipay Entities to suspend or terminate their services if certain features of their services may be subject to a high risk of unauthorized payments or fraudulent transactions by a MP Merchant;
 - (f) the obligations of each party to comply with applicable laws for the operation of its business and the performance of its obligations under the Specific Execution Agreements, including laws on anti-corruption, anti-money laundering, counter-terrorism financing and sanctions;
 - (g) protection of personal information privacy;
 - (h) confidentiality obligations of each party; and/or
 - (i) governing law for the Specific Execution Agreements and dispute resolutions.

The pricing and other terms of the Specific Execution Agreements shall be negotiated on an arm's length basis between the parties thereto and shall be determined in accordance with the pricing policy set out in the paragraph headed "Pricing policy" and the Annual Caps set out in the sub-section headed "HISTORICAL TRANSACTION AMOUNTS AND BASIS OF DETERMINING THE ANNUAL CAPS" below.

Pricing policy

As a general principle, the pricing and other terms of the 2023 Framework Agreement and the Specific Execution Agreements in respect of the acquiring service of Macau Pass shall be determined in the ordinary and usual course of business on normal commercial terms (as defined under the GEM Listing Rules) and shall be negotiated on an arm's length basis between the parties thereto. The pricing for the Service Fees payable by Macau Pass to the Alipay Entities Group (including their respective affiliates) shall be fixed percentages of the transaction value processed under the Specific Execution Agreements which shall be within the normal range of (i) such fees paid by Macau Pass in respect of its acquiring service to other payment service providers which are third parties independent of Macau Pass and its connected persons, or (ii) where there is no comparable scale or type of transactions conducted with such independent third parties, such fees charged by the Alipay Entities Group (including their respective affiliates) on the same or similar transactions to other acquiring service providers which are third parties independent of Macau Pass and its connected persons. The historical pricing range paid by Macau Pass to other independent third party payment service providers and the Alipay Entities Group (including their respective affiliates) was in the region from 0.5% to 1.8% of the transaction value processed. It is anticipated that such pricing range will be increased to the region from 0.5% to 2.5% in order to cater for payments via new cross-border E-Wallet(s) in Macau in the future. The pricing of the Service Fees shall be determined with reference to various factors, including the industries of the merchants involved, the monthly transaction volume processed through Macau Pass, whether the transactions involving payments in Macau via different E-Wallets from different countries and whether the transactions are online or offline. Such pricing shall be set out clearly in the Specific Execution Agreements. The terms offered by Macau Pass to the Alipay Entities Group (including their respective affiliates) should be in line with and not more favorable than those offered to other payment service providers which are third parties independent of Macau Pass and its connected persons, or where there is no comparable scale or type of transactions conducted by Macau Pass with such independent third parties, the terms offered by the Alipay Entities Group (including their respective affiliates) to Macau Pass should be in line with and not less favorable than those offered by the Alipay Entities Group (including their respective affiliates) to other independent third party acquiring service providers.

Where the Alipay Entities Group (including their respective affiliates) offer any concession on the Service Fees to other independent third party acquirers in respect of similar transactions, they shall offer the same or no less favorable concession to Macau Pass.

Payment terms

The aggregate amount of payments processed/collected by the Alipay Entities from the users of the E-Wallets in respect of the transactions made by such users, less (i) any refunds to the users; (ii) any other amount that the Alipay Entities are entitled to withhold, deduct or set-off in accordance with the terms of the Specific Execution Agreements; and (iii) the Service Fees payable by Macau Pass to the Alipay Entities, shall be settled and remitted by the Alipay Entities to the designated bank account of Macau Pass within three working days from the date of transactions, unless the settlement amount involved falls short of the pre-agreed floor limit. In the event that the settlement amount involved falls short of the pre-agreed floor limit, such amount will be retained until the accumulated balance due to Macau Pass exceeds the pre-agreed floor limit, and such accumulated balance shall then be settled and remitted to Macau Pass accordingly.

HISTORICAL TRANSACTION AMOUNTS AND BASIS OF DETERMINING THE ANNUAL CAPS

Historical amounts of the Service Fees

Set out in the table below were the historical amounts of the Service Fees paid by Macau Pass to the Alipay Entities Group for the past two years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023 (collectively, the “**Track Record Period**”):

For the year ended December 31,		For the nine months
2021	2022	ended September 30,
<i>HK\$'000</i>	<i>HK\$'000</i>	2023
		<i>HK\$'000</i>
76,610	35,590	50,800

The Annual Caps for the Service Fees

The table below sets forth the Annual Caps for the Service Fees payable by Macau Pass to the Alipay Entities Group under the 2023 Framework Agreement for the period from the Effective Date to March 31, 2026:

For the period from the Effective Date to March 31, 2024	For the period from April 1, 2024 to March 31, 2025	For the period from April 1, 2025 to March 31, 2026
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
20,000	86,000	100,000

Basis for determining the Annual Caps

The Annual Caps for the Service Fees are determined mainly with reference to the projected amounts of payment transactions processed through the acquiring service provided by Macau Pass for the Alipay Entities Group which are estimated after taking into account factors including:

- (i) the historical figures of the number and value of the online and offline transactions processed through the acquiring service provided by Macau Pass to merchants for accepting the E-Wallets during the Track Record Period;
- (ii) the Service Fee rates charged by the Alipay Entities Group to Macau Pass; and
- (iii) the estimated growth in the number and value of the transactions processed through the acquiring service provided by Macau Pass to merchants for accepting the E-Wallets in light of (a) the resumption of tourists activities in Macau after the release of the control measures for the COVID-19 pandemic; (b) the expansion of its network of merchants by Macau Pass in Macau; (c) the increase in per capita consumption of Mainland Chinese tourists in Macau; (d) the expansion of Macau Pass' payment ecosystem to accept payments via cross-border E-Wallets in Macau; and (e) the competition of acquiring service provided by other acquirers and banks in Macau.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 FRAMEWORK AGREEMENT

One of the principal activities of Macau Pass is to provide acquiring service to merchants to enable them to accept payments made via different payment methods of other payment service providers, including the E-Wallets. Given the increasing usage of digital payment by customers of the Group in Macau with E-Wallets operated by the Alipay Entities which is a popular payment option, the entering into of the 2023 Framework Agreement will enable the Group to continue its business relationships with the Alipay Entities.

In view of the above, the Board (excluding the independent non-executive Directors, whose view will be provided after considering the advice and recommendation of the Independent Financial Adviser) is of the view that the terms of the 2023 Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES FOR THE CCTS

The relevant team responsible for negotiating the terms of business cooperation with the Alipay Entities Group should submit the draft Specific Execution Agreement for review and approval by the Company's chief financial officer who will check the terms of such business cooperation with reference to, among other things, the factors considered in determining the pricing and payment terms of the CCTs to ensure that the pricing and other terms of the CCTs are determined in accordance with the pricing policy and the terms set out in the Specific Execution Agreement are (i) in line with and not more favorable to the Alipay Entities Group than those offered by Macau Pass to other payment service providers which are third parties independent of Macau Pass and its connected persons or (ii) in line with and not less favourable to Macau Pass than those offered by the Alipay Entities Group to other acquiring service providers which are independent of Macau Pass and its connected persons.

In addition, the Group (including Macau Pass) will from time to time review the pricing basis of the Service Fees by comparing them against the services fees in respect of Macau Pass' acquiring service payable by Macau Pass to other independent third party payment platforms for comparable services. The finance department of the Company will also from time to time conduct market researches, which may include obtaining the market information on the Service Fees payable by other acquiring service providers to other payment service providers comparable to the Alipay Entities Group to ensure that the pricing basis of the Service Fees is in line with normal market practices and no more favorable to the Alipay Entities Group than those available to independent third-party payment platforms under the same or similar conditions.

Furthermore, the Group has internal controls in place to monitor the utilization of the Annual Caps which require the submission of monthly reports on the accumulated amounts of the CCTs by the finance team to the Company's chief financial officer, the company secretary and the internal auditor. The company secretary shall promptly liaise with the business team as and when any of the Annual Caps has been 70% utilized in order to agree and implement measures to control and avoid exceeding any of the Annual Caps. The 2023 Framework Agreement includes a customary provision pursuant to which the Alipay Entities Group shall generally allow the auditors of the Company access to information necessary to report on the CCTs. The parties to the 2023 Framework Agreement have also agreed that they must abide by the GEM Listing Rules when performing their obligations under the terms of the 2023 Framework Agreement, including but not limited to the Annual Caps of the Service Fees payable by Macau Pass to the Alipay Entities Group as set out in the announcement or circular issued by the Company in accordance with the GEM Listing Rules. If the accumulated amounts of the CCTs are about to exceed the Annual Caps which will result in the Group (including Macau Pass) being unable to perform its contractual obligations stipulated under the terms of the 2023 Framework Agreement and/or the Specific Execution Agreements (as the case may be), the Group (including Macau Pass) shall be allowed to temporarily suspend the performance of its contractual obligations stipulated in such agreements until the Group (including Macau Pass) complies with the GEM Listing Rules (including obtaining approval of the revised annual cap amount(s) for the CCTs), and such temporary suspension shall not constitute a breach of any provisions of such agreements by the Group (including Macau Pass). The Company and the Alipay Entities Group have also agreed to amend or update the relevant terms of the 2023 Framework Agreement and/or the Specific Execution Agreements (as the case may be) in response to any future amendments to the GEM Listing Rules in respect of connected transaction requirements.

As part of the overall monitoring of the CCTs, sample checks will be conducted by the Group's internal audit department at least annually on, among other things, the pricing, payment terms and the utilization of the Annual Caps. In addition, the CCTs will be subject to annual review by the independent non-executive Directors and the auditors of the Company of their terms and the Annual Caps, and the Company is required to report the findings of such annual review in its annual report in compliance with the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Ali Fortune, the controlling shareholder of the Company holding 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital 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. Alipay is a direct wholly-owned subsidiary, and Alipay Singapore is an indirect wholly-owned subsidiary, of Ant Holdco. Ant Bank is an indirect 66.7%-owned subsidiary of Ant Holdco and its other 33.3% equity interest is held by a 30% indirectly owned associated company of the Company. Ant Holdco and the Alipay Entities are associates of Alibaba Holding. By virtue of the aforesaid relationships, members of the Alipay Entities Group are connected persons of the Company, and therefore the 2023 Framework Agreement and the transactions contemplated thereunder between the Group and the Alipay Entities Group constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios in respect of the highest Annual Cap will exceed 5%, the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) will be subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INFORMATION ABOUT THE PARTIES

The Company, the Group and Macau Pass

The Company was incorporated in Bermuda and the Shares are listed on GEM of the Stock Exchange. The Group is an integrated technology and services company engaged in electronic payment services, lottery, lifestyle, games and entertainment, marketing technical services, e-commerce and non-lottery hardware supply markets with a focus on Chinese Mainland and Macau. As a member of the Alibaba Group, the Group is the exclusive lottery platform of Alibaba Group and Ant Group.

Macau Pass is a leading payment service provider in Macau and is an "other credit institution" (which will be re-designated as "other financial institution" with effect from November 1, 2023) licensed under Autoridade Monetária de Macau (the Monetary Authority of Macao). It was incorporated in 2005 with an initial focus on operating payment card services via "Macau Pass Cards" in Macau, which was later gradually expanded into other payment related businesses such as e-wallet and acquiring service.

The Alipay Entities and Ant Holdco

Alipay, being a direct wholly-owned subsidiary of Ant Holdco, is principally engaged in the provision of internet payment, mobile phone payment, bank card acceptance, issuance and acceptance of prepaid cards (limited to online real-name payment accounts recharge) and related services.

Alipay Singapore, being an indirect wholly-owned subsidiary of Ant Holdco, via its operating subsidiaries, is principally engaged in the provision of cross-border digital payment and merchant acquiring service.

Ant Bank is principally engaged in the provision of mobile payment services and financial banking services in Macau. It is an indirect 66.7%-owned subsidiary of Ant Holdco and its other 33.3% equity interest is held by a 30% indirectly owned associated company of the Company.

Ant Holdco is a company incorporated in the PRC and together with its ecosystem partners is engaged in businesses that provide inclusive, convenient digital life and digital financial services to consumers and small and medium-sized enterprises, and introduce new technologies and products to support the digital transformation and industrial collaboration worldwide. As at the date of this announcement, Junhan and Junao hold approximately 31% and 22% (together approximately 53%) of Ant Holdco's total issued shares, respectively. Yunbo is the executive partner and general partner of, and controls, Junhan and Junao. Mr. Ma Yun holds a 34% equity interest in Yunbo and each of Mr. Jing Eric Xiandong, Mr. Hu Simon Xiaoming and Ms. Jiang Fang holds a 22% equity interest in Yunbo. The remaining approximately 47% issued shares in Ant Holdco is 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.

Pursuant to certain agreements entered into on January 7, 2023, there will be changes to the voting structure of Ant Holdco's major shareholders upon completion of such agreements, and as a result, no direct or indirect shareholder of Ant Holdco, alone or jointly with other parties, will have control over Ant Holdco. As at the date of this announcement, completion of such agreements has not taken place and is subject to approval of or filing with relevant government authorities, which is currently processing.

Alibaba Holding and Alibaba Group

Alibaba Holding is a company incorporated in the Cayman Islands, with its American depositary 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 Code: 9988 (HKD Counter) and 89988 (RMB Counter)). Alibaba Group's mission is to make it easy to do business anywhere. Alibaba Group aims to build the future infrastructure of commerce and envisions that its customers will meet, work and live at Alibaba, and that it aspires to be a good company that will last for 102 years. Alibaba Holding is a holding company of six major business groups: Taobao and Tmall Group, Alibaba International Digital Commerce Group, Cloud Intelligence Group, Local Services Group, Cainiao Smart Logistics Network Limited, and Digital Media and Entertainment Group, along with various other businesses.

GENERAL

As (i) Mr. Tung Pen Hung and Ms. Qin Yuehong are employees of Alibaba Group; (ii) Mr. Sun Ho and Mr. Ji Gang are also directors of Ant Bank; and (iii) Mr. Zou Liang is an employee of Ant Group, each of these Directors is deemed or may be perceived to have a material interest in the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), and had therefore abstained from voting on the Board resolution for approval of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps).

The SGM will be convened and held by the Company to consider and, if thought fit, approve the resolution(s) in respect of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps). As at the date of this announcement, (i) Ali Fortune is interested in 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital of the Company); (ii) Mr. Sun Ho is interested in 2,052,408,000 Shares (representing approximately 17.58% of the issued share capital of the Company); and (iii) Rainwood Resources Limited, in which Mr. Cheung Lup Kwan Vitor (who has indirect equity interest in Ant Bank) holds 52% equity interest, is interested in 584,515,224 Shares (representing approximately 5.01% of the issued share capital of the Company). All of them and their associates shall abstain from voting on the resolution(s) in relation to the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) to be proposed at the SGM. Pursuant to Rule 23.05A of the GEM Listing Rules, the trustees holding unvested shares of a share scheme, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the GEM Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given. The trustees of the share award scheme of the Company adopted on March 17, 2017 will be required to abstain from voting on the resolution(s) to approve the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) at the SGM. Save for the aforesaid, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no other Shareholder has a material interest in the 2023 Framework Agreement and is required to abstain from voting on the resolution(s) to approve the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) at the SGM. Voting at the SGM will be conducted by poll.

The Independent Board Committee has been established to provide recommendation to the Independent Shareholders on terms of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps). Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things: (i) details of the 2023 Framework Agreement and the Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps); (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in the aforesaid regard; and (iv) a notice convening the SGM, is expected to be despatched to the Shareholders by no later than December 4, 2023, as additional time is required for the Company to prepare and finalize the relevant information for inclusion in the circular.

DEFINITIONS

Unless otherwise stated, the following expressions have the following meanings in this announcement:

“2021 Announcement”	the announcement of the Company dated September 10, 2021 in relation to, among others, the transaction contemplated under the 2021 Framework Agreement
“2021 Circular”	the circular of the Company dated October 29, 2021 in relation to, among others, the transactions contemplated under the 2021 Framework Agreement
“2021 Framework Agreement”	the conditional business cooperation framework agreement dated September 10, 2021 entered into between the Company and the Alipay Entities in respect of the acquiring service business cooperation between Macau Pass and the Alipay Entities
“2023 Framework Agreement”	the conditional business cooperation framework agreement dated October 27, 2023 entered into between the Company and the Alipay Entities in respect of the acquiring service business cooperation between Macau Pass and the Alipay Entities
“Alibaba Group”	Alibaba Holding and its subsidiaries
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depositary 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 code: 9988 (HKD Counter) and 89988 (RMB Counter))
“Ali Fortune”	Ali Fortune Investment Holding Limited, a company incorporated under the laws of the British Virgin Islands and the controlling Shareholder
“Alipay”	支付寶(中國)網絡技術有限公司 (Alipay.com Co., Ltd.*), a company established under the laws of the PRC and a direct wholly-owned subsidiary of Ant Holdco
“Alipay Entities”	Alipay, Alipay Singapore and Ant Bank

“Alipay Entities Group”	Alipay Entities together with their respective direct or indirect subsidiaries from time to time
“Alipay Singapore”	Alipay Singapore Holding Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of Ant Holdco
“Annual Caps”	the maximum amounts of annual service fees payable by Macau Pass to the Alipay Entities Group in respect of the transactions contemplated under the 2023 Framework Agreement
“Ant Bank”	Ant Bank (Macao) Limited, a joint venture company incorporated under the laws of Macau which is held as to 66.7% by two indirect wholly-owned subsidiaries of Ant Holdco and as to 33.3% by a 30%-indirectly owned associated company of the Company
“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.) (formerly known as 浙江螞蟻小微金融服務集團股份有限公司 (Ant Small and Micro Financial Services Group Co., Ltd.)), a company organized under the laws of the PRC
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	board of Directors
“CCTs”	has the meaning ascribed to it under the section headed “2023 FRAMEWORK AGREEMENT — Acquiring service business cooperation” of this announcement
“Company”	AGTech Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (Stock Code: 8279)
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“Effective Date”	(i) January 1, 2024; or (ii) the date on which all conditions precedent under the 2023 Framework Agreement having been satisfied, whichever is later
“E-Wallet(s)”	the e-wallets operated by the Alipay Entities from time to time, including but not limited to, the “Alipay” e-wallet, the “AlipayHK” e-wallet, Ant Bank’s “Alipay (Macao)” e-wallet and Alipay+ partners’ e-wallets (e.g. Kakao Pay from South Korea, GCash from the Philippines, Touch’n Go from Malaysia and TrueMoney from Thailand)
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely, Mr. Feng Qing, Dr. Gao Jack Qunyao and Mr. Chow Siu Lui, established to advise the Independent Shareholders in respect of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Financial Adviser”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Shareholder(s)”	Shareholder(s), other than Ali Fortune and its associates and other Shareholders (including the Director, Mr. Sun Ho, Rainwood Resources Limited and the trustees of the share award scheme adopted by the Company on March 17, 2017) who have a material interest or is deemed or may be perceived to have a material interest in the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) and shall be required to abstain from voting on the relevant resolution(s) to be proposed at the SGM for approving the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)

“Junao”	Hangzhou Junao Equity Investment Partnership (Limited Partnership), a limited liability partnership incorporated under the laws of the PRC which holds approximately 22% equity interest in Ant Holdco
“Junhan”	Hangzhou Junhan Equity Investment Partnership (Limited Partnership), a limited liability partnership established under the laws of the PRC which holds approximately 31% equity interest in Ant Holdco
“Macau”	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
“percentage ratio(s)”	has the meaning ascribed to it under the GEM Listing Rules
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, refers to Chinese Mainland only
“Service Fees”	the service fees payable by Macau Pass to the Alipay Entities Group under the 2023 Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to consider, and if thought fit, approve the 2023 Framework Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Execution Agreement(s)”	has the meaning ascribed to it under the section headed “2023 FRAMEWORK AGREEMENT — Acquiring service business cooperation” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules

“Track Record Period”	has the meaning ascribed to it under the section headed “HISTORICAL TRANSACTION AMOUNTS AND BASIS OF DETERMINING THE ANNUAL CAPS” of this announcement
“Yunbo”	Hangzhou Yunbo Investment Consultancy Co., Ltd., a limited liability partnership established under the laws of the PRC and is the executive partner and general partner of, and controls, Junhan and Junao
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, October 27, 2023

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Tung Pen Hung, Ms. Qin Yuehong, 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 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 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 <https://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 <https://www.agtech.com>.