

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 Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

**DISCLOSEABLE AND CONNECTED TRANSACTION –
CAPITAL INCREASE AGREEMENT**

CAPITAL INCREASE AGREEMENT

On December 24, 2024, mFinance, being an indirect wholly-owned subsidiary of the Company, entered into the Capital Increase Agreement with Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment, pursuant to which mFinance has conditionally agreed to subscribe for, and Ant Bank (Macao) has conditionally agreed to issue, 360,500 common shares of Ant Bank (Macao) at a price of MOP100 (equivalent to approximately HK\$97) per common share.

Upon the Capital Increase, the percentage of equity interests held by mFinance, Alipay (Macau) Holding and Alipay (Macau) Investment in Ant Bank (Macao) will remain unchanged at approximately 51.5%, 24.3% and 24.2%, respectively.

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 held 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. Ant Bank (Macao) is held by mFinance as to approximately 51.5% and two indirect wholly-owned subsidiaries of Ant Holdco (i.e. Alipay (Macau) Holding and Alipay (Macau) Investment) as to approximately 48.5% in aggregate. Ant Bank (Macao), being a connected subsidiary of the Company, is therefore a connected person of the Company. In addition, each of Alipay (Macau) Holding and Alipay (Macau) Investment, being an associate of Alibaba Holding, is therefore a connected person of the Company. Accordingly, the mFinance Subscription constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios with respect to the mFinance Subscription exceeds 0.1% but all are below 5%, the mFinance Subscription is subject only to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Additionally, the Capital Increase (including the mFinance Subscription), when aggregated with the Previous Capital Increase and the Previous Share Transfer, will remain as a discloseable transaction for the Company for the purpose of Chapter 19 of the GEM Listing Rules.

As the Closing is subject to fulfilment or waiver (as the case may be) of the conditions precedent, the Capital Increase may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are set out below:

Date

December 24, 2024

Parties

1. the Company;
2. Ant Bank (Macao);
3. Alipay (Macao) Holding; and
4. Alipay (Macao) Investment.

Subject matter

Pursuant to the Capital Increase Agreement, each of mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment has conditionally agreed to subscribe for, and Ant Bank (Macao) has conditionally agreed to issue, 360,500 common shares, 170,100 common shares and 169,400 common shares of Ant Bank (Macao), respectively, at a price of MOP100 (equivalent to approximately HK\$97) per common share, resulting in a total amount of MOP70,000,000 (equivalent to approximately HK\$67,963,000) for the Capital Increase. Accordingly, mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment shall pay the consideration of MOP36,050,000, MOP17,010,000 and MOP16,940,000, respectively.

Consideration

The consideration in relation to the mFinance Subscription shall be MOP36,050,000 (equivalent to approximately HK\$35,001,000), which shall be paid by mFinance to Ant Bank (Macao) on the Closing date. The consideration for the Capital Increase under the Capital Increase Agreement was determined after arm's length negotiation among the parties to the Capital Increase Agreement, having taken into account various factors, including (i) the working capital currently available to Ant Bank (Macao); (ii) the capital requirements of Ant Bank (Macao) for the existing business development projects and compliance with the minimum own funds requirement for a licensed bank in Macao; and (iii) the maintenance of the respective percentages of equity interest held by mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment in Ant Bank (Macao) following the Capital Increase.

The Capital Increase shall be made by mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment in cash on the date of Closing. The Group intends to fund the consideration of MOP36,050,000 (equivalent to approximately HK\$35,001,000) by its internal cash reserves.

Conditions precedent

The completion of the Capital Increase is conditional upon certain salient conditions precedent, including but not limited to:

- (i) the parties to the Capital Increase Agreement having obtained the necessary internal authorizations in compliance with applicable laws (including the GEM Listing Rules) or their companies' articles of association, including the board and/or shareholders' approval of the execution of the Capital Increase Agreement or the conduct of the Capital Increase;
- (ii) all approvals, no objection letters, permits, registration or filing mandatorily required to be obtained for the Capital Increase having been obtained from the relevant authorities (including but not limited to the AMCM and the Stock Exchange) and such approvals, no objection letters, permits, registration or filing not having been revoked or withdrawn; and
- (iii) there being no applicable laws, judgments, awards, rulings or injunctions of courts, arbitration institutions or relevant government authorities that restrict or prohibit the Capital Increase, nor are there any litigations, arbitrations, judgments, awards, rulings or injunctions that have or may have a material adverse impact on the Capital Increase, and the execution, delivery, performance of the Capital Increase Agreement and the transactions thereunder not violating any applicable law.

INTERNAL CONTROL OF AND CERTAIN RESTRICTIVE COVENANTS REGARDING ANT BANK (MACAO)

The composition of the board of directors of Ant Bank (Macao), the composition of the supervisory committee of Ant Bank (Macao), the board reserved matters, and the shareholders reserved matters remain unchanged. For further information, please refer to the announcement of the Company dated February 8, 2024.

Pre-emptive rights

If Ant Bank (Macao) proposes to issue any securities (subject to customary exclusions), each shareholder shall have the right to subscribe for a pro rata proportion of such new securities that are proposed to be issued on the same terms and conditions (including price) as any other shareholder.

Right of first refusal

If any shareholder proposes to transfer any equity security of Ant Bank (Macao) to any third party, the other shareholder shall have the right of first refusal in relation to such transfer.

Tag-along right

If mFinance proposes to transfer any equity security of Ant Bank (Macao) to any third party and Alipay (Macau) Holding or Alipay (Macau) Investment does not exercise their right of first refusal, Alipay (Macau) Holding and Alipay (Macau) Investment shall have the tag-along right in relation to such transfer.

Anti-dilution right

Each shareholder shall have anti-dilution protection for any new securities issuances of Ant Bank (Macao) (subject to customary exclusions) at a per share price lower than the relevant subscription price previously paid by such shareholder.

CLOSING

The Closing shall take place within 10 business days after the conditions precedent having been fulfilled or waived.

Upon the Closing, the percentage of equity interests held by mFinance, Alipay (Macau) Holding and Alipay (Macau) Investment in Ant Bank (Macao) will remain unchanged at approximately 51.5%, 24.3% and 24.2%, respectively. Therefore, Ant Bank (Macao) will remain as an indirect non-wholly owned subsidiary of the Company.

INFORMATION ON ANT BANK (MACAO)

Shareholding structure

The table below sets out the respective equity interests of Ant Bank (Macao) held by mFinance, Alipay (Macau) Holding and Alipay (Macau) Investment as at the date of this announcement and immediately upon the Closing:

	As at the date of this announcement			Immediately upon the Closing		
	Capital contributed <i>MOP</i>	Number of common shares held	Approximate percentage of total issued share capital of Ant Bank (Macao) <i>(%)</i>	Capital contributed <i>MOP</i>	Number of common shares held	Approximate percentage of total issued share capital of Ant Bank (Macao) <i>(%)</i>
mFinance	283,200,000	2,832,000	51.5	319,250,000	3,192,500	51.5
Alipay (Macau) Holding	133,600,000	1,336,000	24.3	150,610,000	1,506,100	24.3
Alipay (Macau) Investment	133,200,000	1,332,000	24.2	150,140,000	1,501,400	24.2
Total	<u>550,000,000</u>	<u>5,500,000</u>	<u>100</u>	<u>620,000,000</u>	<u>6,200,000</u>	<u>100</u>

Business

Ant Bank (Macao) is a company incorporated under the laws of Macau with limited liability. As at the date of this announcement, its issued share capital is MOP550,000,000 (equivalent to approximately HK\$533,995,000) and it currently operates the following principal lines of digital banking business:

- mobile payment services via the “Alipay (Macao)” e-wallet;
- financial banking services, such as deposits, loans and clearing, targeting primarily residents and small and medium-sized enterprises of Macau;
- cross-border remittance services;
- internet securities investment services (for stocks in Hong Kong and the United States of America); and
- insurance agency services.

License and approval

Ant Bank (Macao) is a “bank incorporated in Macau” licensed under the AMCM for carrying out its principal businesses. The Capital Increase will be subject to the approval of the AMCM, which is one of the conditions precedent.

Financial Information

Set out below is the financial information of Ant Bank (Macao) for the two years ended December 31, 2022 and 2023 and for the nine months ended September 30, 2024 prepared in accordance with Macau Generally Accepted Accounting Principles (the “**Macau GAAP**”). There is no material difference between the Macau GAAP and the Hong Kong Financial Reporting Standards in respect of the figures below.

	For the year ended December 31, 2022 (audited)		For the year ended December 31, 2023 (audited)		For the nine months ended September 30, 2024 (unaudited)	
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>MOP</i>	<i>HK\$</i>	<i>MOP</i>	<i>HK\$</i>	<i>MOP</i>	<i>HK\$</i>
Net profits/(loss) before taxation and extraordinary items	(37,002,672)	(35,925,894)	(49,886,514)	(48,434,816)	(25,619,979)	(24,874,438)
Net profits/(loss) after taxation and extraordinary items	(37,002,672)	(35,925,894)	(49,886,514)	(48,434,816)	(25,619,979)	(24,874,438)

The unaudited net asset of Ant Bank (Macao) as at September 30, 2024 (based on the unaudited management accounts of Ant Bank (Macao) for the nine months ended September 30, 2024) was MOP343,302,628 (equivalent to approximately HK\$333,312,522).

The financial statements of Ant Bank (Macao) have been consolidated into the financial statements of the Group, and will remain so following the Closing.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Board believes that the Capital Increase will enable the Group to maintain its equity interest in Ant Bank (Macao) as well as enable the bank to comply with the minimum own funds requirement for a licensed bank in Macau, thereby ensuring a more robust financial foundation and supporting future business development of Ant Bank (Macao).

The Directors (including the independent non-executive Directors) are of the view that the terms of the Capital Increase Agreement are fair and reasonable, the Capital Increase is on normal commercial terms, and the entering into of the Capital Increase Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

As (i) Mr. Tung Pen Hung and Ms. Qin Yuehong are employees of Alibaba Group; (ii) Mr. Sun Ho is a director and the chairman of the board of directors of Ant Bank (Macao); and (iii) Mr. Ji Gang is an employee of Ant Group and a director of Ant Bank (Macao), each of these Directors is deemed or may be perceived to have a material interest in the Capital Increase Agreement. Accordingly, they abstained from voting on the resolution(s) passed by the Board to approve the Capital Increase Agreement. Other than the aforesaid Directors, no other Directors have a material interest in the Capital Increase Agreement or are required to abstain from voting on the resolution(s) passed by the Board for approving the Capital Increase Agreement.

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 held 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. Ant Bank (Macao) is held by mFinance as to approximately 51.5% and two indirect wholly-owned subsidiaries of Ant Holdco (i.e. Alipay (Macau) Holding and Alipay (Macau) Investment) as to approximately 48.5% in aggregate. Ant Bank (Macao), being a connected subsidiary of the Company, is therefore a connected person of the Company. In addition, each of Alipay (Macau) Holding and Alipay (Macau) Investment, being an associate of Alibaba Holding, is therefore a connected person of the Company. Accordingly, the mFinance Subscription constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios with respect to the mFinance Subscription exceeds 0.1% but all are below 5%, the mFinance Subscription is subject only to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Additionally, references are made to the announcement of the Company dated February 8, 2024 and the circular (the “**Circular**”) of the Company dated March 5, 2024 in relation to, among other things, (i) the Previous Share Transfer Agreement entered into between mFinance and Star N Cloud, pursuant to which mFinance conditionally agreed to acquire and Star N Cloud conditionally agreed to sell the Sale Shares (representing 33.3% of the then issued share capital of Ant Bank (Macao) as at the date of the Previous Share Transfer Agreement or approximately 24.2% of the then issued share capital of Ant Bank (Macao) as enlarged by the Previous Capital Increase) for a consideration of MOP133,200,000 (equivalent to approximately HK\$129,324,000), with 30% of the consideration under the Previous Share Transfer Agreement (i.e. MOP39,960,000 (equivalent to approximately HK\$38,797,000)) being distributed by Star N Cloud to AGTech Macau (an indirect wholly-owned subsidiary of the Company) in proportion to its 30% shareholding in Star N Cloud; and (ii) the Previous Capital Increase Agreement entered into among mFinance, Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment, pursuant to which mFinance conditionally agreed to further contribute MOP150,000,000 (equivalent to approximately HK\$145,635,000) to the share capital of Ant Bank (Macao) by subscribing for 1,500,000 common shares (representing approximately 27.3% of the then issued share capital of Ant Bank (Macao) as enlarged by the Previous Capital Increase) issued by Ant Bank (Macao) at a price of MOP100 (equivalent to approximately HK\$97) per common share. Capitalized terms used in this paragraph shall have the same meanings as those defined in the Circular unless otherwise defined in this announcement.

The Capital Increase (including the mFinance Subscription), when aggregated with the Previous Capital Increase and the Previous Share Transfer, will remain as a discloseable transaction for the Company for the purpose of Chapter 19 of the GEM Listing Rules, and the Previous Capital Increase and the Previous Share Transfer, among others, were approved by the Shareholders at the special general meeting of the Company held on March 27, 2024.

INFORMATION ABOUT THE PARTIES

The Company and the Group

The Company was incorporated in Bermuda and the Shares are listed on GEM of the Stock Exchange. As a banking and comprehensive digital financial technology group, the Group's core business covers banking services, electronic payment services, local consumer services, lottery business and payment-related hardware supply.

mFinance

mFinance is a company incorporated under the laws of Hong Kong with limited liability. It is an investment holding vehicle with no other business activities and an indirect wholly-owned subsidiary of the Company.

Ant Bank (Macao)

Ant Bank (Macao) is a company incorporated under the laws of Macau with limited liability. It is principally engaged in the provision of mobile payment services and financial banking services in Macau. As at the date of this announcement, Ant Bank (Macao) is held by mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment as to approximately 51.5%, 24.3% and 24.2%, respectively.

Ant Holdco

As at the date of this announcement, Hangzhou Junhan Equity Investment Partnership (Limited Partnership)* (杭州君瀚股權投資合夥企業(有限合夥)) (“**Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership)* (杭州君澳股權投資合夥企業(有限合夥)) (“**Junao**”) held approximately 31% and 22% of Ant Holdco’s total issued shares, respectively. Hangzhou Xingtao Enterprise Management Consultancy Co., Ltd.* (杭州星滔企業管理諮詢有限公司) (“**Xingtao**”) was the executive partner and general partner of Junhan; Hangzhou Yunbo Investment Consultancy Co., Ltd.* (杭州雲鉞投資諮詢有限公司) (“**Yunbo**”) was the executive partner and general partner of Junao; and each of Xingtao and Yunbo was held by five individuals as to 20% each. The remaining issued shares in Ant Holdco were held as to approximately 33% by Taobao (China) Software Co., Ltd.* (淘寶(中國)軟件有限公司), an indirect wholly-owned subsidiary of Alibaba Holding, and as to approximately 14% by other minority shareholders.

Alipay (Macao) Holding and Alipay (Macao) Investment

Each of Alipay (Macao) Holding and Alipay (Macao) Investment is a company incorporated under the laws of Macau with limited liability. Each of them is a holding company and an indirect wholly-owned subsidiary of Ant Holdco.

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 Codes: 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.

As the Closing is subject to fulfilment or waiver (as the case may be) of the conditions precedent, the Capital Increase may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Ali Fortune”	Ali Fortune Investment Holding Limited, a company incorporated under the laws of the British Virgin Islands and the controlling shareholder of the Company
“Alibaba Group”	Alibaba Holding and its subsidiaries from time to time
“Alibaba Holding”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands, with its American depository shares, each representing eight ordinary shares, listed on the New York Stock Exchange (Stock Symbol: BABA) and its ordinary shares listed on the Main Board of the Stock Exchange (Stock Codes: 9988 (HKD Counter) and 89988 (RMB Counter))
“Alipay (Macau) Holding”	支付寶(澳門)控股一人有限公司 (Alipay (Macau) Holding Limited), a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of Ant Holdco
“Alipay (Macau) Investment”	支付寶(澳門)投資一人有限公司 (Alipay (Macau) Investment Limited), a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of Ant Holdco
“AMCM”	Autoridade Monetária de Macau (the Monetary Authority of Macau)
“Ant Bank (Macao)”	Ant Bank (Macao) Limited (螞蟻銀行(澳門)股份有限公司), a company incorporated under the laws of Macau with limited liability which, as at the date of this announcement, is held by mFinance, Alipay (Macau) Holding and Alipay (Macau) Investment as to approximately 51.5%, 24.3% and 24.2%, respectively
“Ant Group”	Ant Holdco and its subsidiaries from time to time

“Ant Holdco”	Ant Group Co., Ltd. (螞蟻科技集團股份有限公司), a company organized under the laws of the PRC
“associate(s)”, “connected person(s)”, “controlling shareholder”, “percentage ratio(s)”, and “subsidiary(ies)”	each has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Capital Increase”	the capital injection into Ant Bank (Macao) made by mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment in accordance with the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated December 24, 2024 entered into among mFinance, Ant Bank (Macao), Alipay (Macao) Holding and Alipay (Macao) Investment in relation to the Capital Increase
“Closing”	the completion of the Capital Increase in accordance with the Capital Increase Agreement
“Company”	AGTech Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8279)
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Macau”	the Macau Special Administrative Region of the PRC
“mFinance”	mFinance Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“mFinance Subscription”	the subscription by mFinance of 360,500 common shares to be issued by Ant Bank (Macao) for a total consideration of MOP36,050,000 (equivalent to approximately HK\$35,001,000)
“MOP”	Macau Patacas, the lawful currency of Macau
“PRC”	the People’s Republic of China which, for the purpose of this announcement, refers to Chinese Mainland only
“Previous Capital Increase”	the subscription by mFinance of 1,500,000 common shares (representing approximately 27.3% of the then enlarged issued share capital of Ant Bank (Macao)) issued by Ant Bank (Macao) for a total consideration of MOP150,000,000 (equivalent to approximately HK\$145,635,000) under the Previous Capital Increase Agreement
“Previous Capital Increase Agreement”	the conditional capital increase agreement dated February 8, 2024 entered into among mFinance, Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment in relation to the Previous Capital Increase
“Previous Share Transfer”	the acquisition of 1,332,000 issued common shares of Ant Bank (Macao) from Star N Cloud Network Intelligence Company Limited (星雲網絡科技有限公司) by mFinance for a consideration of MOP133,200,000 (equivalent to approximately HK\$129,324,000) under the Previous Share Transfer Agreement
“Previous Share Transfer Agreement”	the conditional share transfer agreement dated February 8, 2024 entered into between mFinance and Star N Cloud Network Intelligence Company Limited (星雲網絡科技有限公司) in relation to the Previous Share Transfer
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“%”

per cent

Note: In this announcement, the exchange rate of MOP1 to HK\$0.9709 has been used for reference only.

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

Hong Kong, December 24, 2024

* *For identification purposes only*

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 and Mr. Ji Gang as non-executive Directors; and (iii) Mr. Chow Siu Lui, Mr. Chan Ka Leong and Ms. Yuen Kit Ming Fanny as independent non-executive Directors.

This announcement, for which the Directors 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, 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.