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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)**

**REVISION OF EXISTING ANNUAL CAP OF  
CONTINUING CONNECTED TRANSACTIONS –  
FRAMEWORK AGREEMENT  
IN RELATION TO  
THE PROVISION OF PAYMENT SERVICES AND  
RELATED SERVICES**

Reference is made to the announcement of the Company dated July 13, 2022 in respect of the Framework Agreement entered into among the Company and the Alipay Entities (i.e. Alipay, Alipay Singapore and Ant Bank) in relation to the provision of payment services and related services specified in the Framework Agreement for a term commencing from the Effective Date to December 31, 2023.

For the reasons disclosed in the section headed “Reasons for and Benefits of the Revision of the Existing Annual Cap” below, the Board resolves to revise and increase the Existing Annual Cap for the Alipay Technical Services of less than HK\$3 million to the Revised Annual Cap of HK\$5.40 million for the year ending December 31, 2023.

## **GEM LISTING RULES IMPLICATIONS**

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 as at the date of this announcement), 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 32.65% 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 and hence the Alipay Entities are connected persons of the Company. The transactions for the provision of the Alipay Technical Services by the Alipay Entities Group to the Group under the Framework Agreement thus constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.52(1) of the GEM Listing Rules, the Company has to re-comply with the announcement and independent shareholders' approval requirements (if applicable) before the Existing Annual Cap is exceeded. As one or more of the applicable percentage ratios with respect to the Revised Annual Cap are more than 0.1% but all of them are less than 5%, the revision of the Existing Annual Cap is subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **REVISION OF THE EXISTING ANNUAL CAP**

Reference is made to the announcement of the Company dated July 13, 2022 in respect of the Framework Agreement entered into among the Company and the Alipay Entities (i.e. Alipay, Alipay Singapore and Ant Bank) in relation to the provision of payment services and related services specified in the Framework Agreement for a term commencing from the Effective Date (i.e. July 13, 2022) to December 31, 2023. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the 2022 Announcement.

For the reasons disclosed in the section headed "Reasons for and Benefits of the Revision of the Existing Annual Cap" below, the Board resolves to revise and increase the Existing Annual Cap for the Alipay Technical Services of less than HK\$3 million to the Revised Annual Cap of HK\$5.40 million for the year ending December 31, 2023.

The pricing basis of the service fees for the Alipay Technical Services payable by the Group to the Alipay Entities Group is determined based on the pricing policy published by the Alipay Entities on their official websites from time to time. The pricing of the Alipay Technical Services newly launched by the Alipay Entities Group will make reference to the pricing policy of existing similar services and may be subject to adjustments according to the forecasted aggregate volume of services to be purchased by the Group plus an adjustable discount to be offered by the Alipay Entities Group according to the volume of services to be purchased by the Group (e.g. a deeper discount for the total service fees for the Alipay Technical Services may be given when the volume of services purchased by the Group increases). The service fees in respect of the technical services and support services provided by Alipay+ Solution in relation to Macau Pass being the payment institution partner of Alipay+ Solution shall be within the range of 0.1% to 0.4% of the transaction amount and shall be within the normal range of service fees chargeable by the Alipay Entities to other independent third party payment institution partners.

The Board confirms that the Existing Annual Cap for the year ending December 31, 2023 has not yet been exceeded as at the date of this announcement. Save for the Revised Annual Cap, all the terms and conditions under the Framework Agreement remain unchanged. The Company will continue to closely monitor the implementation of the Framework Agreement and take prompt actions to make necessary disclosure and, if necessary, obtain independent shareholders' approval in the event that any further adjustment to the Revised Annual Cap becomes foreseeable.

### **HISTORICAL TRANSACTION AMOUNT**

The service fees charged by the Alipay Entities Group to the Group for the Alipay Technical Services under the Framework Agreement for the period from the Effective Date to December 31, 2022 and for the four months ended April 30, 2023 were nil and approximately HK\$0.6 million, respectively.

### **REASONS FOR AND BENEFITS OF THE REVISION OF THE EXISTING ANNUAL CAP**

In view of the expected demand of the Group for the Alipay Technical Services under the Framework Agreement for the remaining period during the year ending December 31, 2023, the Board expects that the aggregate amount of service fees payable by the Group to the Alipay Entities Group for the Alipay Technical Services under the Framework Agreement will be higher than the level envisaged at the time when the parties entered into the Framework Agreement. The Board expects that the Existing Annual Cap of less than HK\$3 million for the year ending December 31, 2023 will not be sufficient and resolves to revise the same to the Revised Annual Cap of HK\$5.40 million for the year ending December 31, 2023. The revision of the Existing Annual Cap for the Alipay Technical Services under the Framework Agreement will enable the Group to obtain the high-quality technical services from the Alipay Entities Group to meet the needs of the Group's electronic payment business in Macau.

The Revised Annual Cap was determined with reference to (i) the expected demand of the Group for the Alipay Technical Services under the Framework Agreement and the relevant services fees payable by the Group to the Alipay Entities Group for the remaining period during the year ending December 31, 2023; and (ii) the historical volume of Alipay Technical Services purchased by the Group and the service fees paid by the Group to the Alipay Entities Group for the Alipay Technical Services under the Framework Agreement from the Effective Date to April 30, 2023.

The Directors (including the independent non-executive Directors) consider that the Revised Annual Cap is entered into on normal commercial terms that are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

### **GEM LISTING RULES IMPLICATIONS**

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 as at the date of this announcement), 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 32.65% 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 and hence the Alipay Entities are connected persons of the Company. The transactions for the provision of the Alipay Technical Services by the Alipay Entities Group to the Group under the Framework Agreement thus constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rule 20.52(1) of the GEM Listing Rules, the Company has to re-comply with the announcement and independent shareholders' approval requirements (if applicable) before the Existing Annual Cap is exceeded. As one or more of the applicable percentage ratios with respect to the Revised Annual Cap are more than 0.1% but all of them are less than 5%, the revision of the Existing Annual Cap is subject to the reporting, announcement and annual review requirements but are exempt from the 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 its Shares are listed on GEM of the Stock Exchange. The Group is an integrated technology and services company engaged in electronic payment services, lottery, mobile games and entertainment and marketing technical services and non-lottery hardware supply markets with a focus on Mainland China 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” 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 services.

### **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, is via its operating subsidiaries principally engaged in the provision of cross-border digital payment and merchant acquiring services.

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, Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (“**Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) (“**Junao**”) hold approximately 31.04% and 22.42% (together approximately 53.46%) of Ant Holdco’s total issued shares, respectively. Hangzhou Yunbo Investment Consultancy Co., Ltd.

(“**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 46.54% issued shares in Ant Holdco is held as to 32.65% 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 13.89% by other minority shareholders, each of which holds less than 3% issued shares in Ant Holdco.

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.

### **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). 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 Group’s businesses are comprised of China commerce, international commerce, local consumer services, Cainiao logistics services, cloud services, digital media and entertainment and innovation initiatives and others.

### **DEFINITIONS**

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

“2022 Announcement”	the announcement of the Company dated July 13, 2022 in respect of the Framework Agreement and the transactions contemplated thereunder
“Existing Annual Cap”	the existing annual cap of less than HK\$3 million for the Alipay Technical Services under the Framework Agreement for the period from the Effective Date (i.e. July 13, 2022) to December 31, 2022 and for the year ending December 31, 2023

“Revised Annual Cap”

the revised annual cap of HK\$5.40 million for the Alipay Technical Services under the Framework Agreement for the year ending December 31, 2023

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

Hong Kong, May 10, 2023

\* *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. 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 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](http://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](http://www.agtech.com).*