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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)

POSITIVE PROFIT ALERT

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 (the “**Board**”) of directors of the Company (the “**Directors**”) 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, the Group expects to record a profit for the period of not less than HK\$33 million for the three months ended March 31, 2023 (the “**2023Q1**”), as compared with a loss of approximately HK\$10.8 million as recorded for the three months ended March 31, 2022 (the “**2022Q1**”).

The expected turnaround from loss to profit as mentioned above was primarily attributable to the combination of factors including:

- (i) there was an increase in revenue of the Group by not less than HK\$130 million for 2023Q1 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 the 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 (the “**Acquisition**”) and the increase in lottery hardware sales as compared to 2022Q1, which was offset by an increase in

other operating expenses of the Group by not less than HK\$72 million for 2023Q1 and increase in purchases of and changes in inventories by not less than HK\$7 million as compared to such expenses for 2022Q1. In 2023, Macau is gradually recovering from the COVID-19 pandemic with most travel restrictions lifted and the resumption of electronic visa application for Mainland China tourists to visit Macau. The increase in incoming visitors to Macau during 2023Q1 became an important driver for the profitability of the Group's electronic payment business;

- (ii) it is expected that the depreciation and amortization expenses of the Group will increase to not less than HK\$17 million for 2023Q1, as compared to the depreciation and amortization expenses of approximately HK\$4.9 million for 2022Q1, 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 relationships arising from the Acquisition;
- (iii) there was an increase in employee benefits expenses of the Group by not less than HK\$20 million for 2023Q1 mainly due to the inclusion of the Macau Pass Group's employee benefits expenses in 2023Q1 following the Acquisition;
- (iv) it is expected that there will be an operating profit of the Group of not less than HK\$12 million for 2023Q1 as compared to the operating loss of approximately HK\$12.6 million for 2022Q1, mainly due to the reasons set out in paragraphs (i) to (iii) above; and
- (v) it is expected that the net finance income of the Group will increase to not less than HK\$20 million for 2023Q1, as compared to the net finance income of approximately HK\$3.4 million for 2022Q1, mainly due to the increases in average bank deposits balances for 2023Q1 and the market interest rates.

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 first quarterly results for 2023Q1 (the "**2023Q1 Results**"), the actual results may differ from what is disclosed in this announcement. Further details of the Company's 2023Q1 Results will be provided in the Company's 2023Q1 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, April 25, 2023

* *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 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.