
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in AGTech Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee, or to the bank, stockbroker, licenced securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

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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 AND NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders



A letter from the Board is set out on pages 6 to 17 of this circular.

A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-22 of this circular.

A notice convening the SGM to be held at 2:30 p.m. on Monday, December 18, 2023 at Holiday Inn Express Hong Kong Causeway Bay, Meeting Room I & II, 7/F, 33 Sharp Street East, Causeway Bay, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. Whether or not the Shareholders are able to attend the SGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's Hong Kong branch share registrar, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM (or any adjournment thereof) should they so desire.

This circular 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 date of its posting and will be published on the website of the Company at <https://www.agtech.com>.

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	Page
DEFINITIONS	1
LETTER FROM THE BOARD	6
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	IBC-1
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	IFA-1
APPENDIX – GENERAL INFORMATION	A-1
NOTICE OF SGM	SGM-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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 (as amended and supplemented by the Supplemental Agreement)
“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

DEFINITIONS

“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 (as amended and supplemented by the Supplemental 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 “LETTER FROM THE BOARD — 2023 FRAMEWORK AGREEMENT — Acquiring service business cooperation” of this circular
“CEO”	the chief executive officer of the Company
“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)

DEFINITIONS

“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
“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 (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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 Directors, Mr. Sun Ho, Rainwood Resources Limited and the trustees of the Share Award Scheme) who have a material interest or is deemed or may be perceived to have a material interest in the 2023 Framework Agreement (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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
“Latest Practicable Date”	November 21, 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

DEFINITIONS

“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 circular, 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 to consider, and if thought fit, approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps), or any adjournment thereof
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Share Award Scheme”	the share award scheme of the Company adopted on March 17, 2017
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Execution Agreement(s)”	has the meaning ascribed to it under the section headed “LETTER FROM THE BOARD – 2023 FRAMEWORK AGREEMENT – Acquiring service business cooperation” of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Supplemental Agreement”	the supplemental agreement to the 2023 Framework Agreement dated November 10, 2023 entered into between the Company and the Alipay Entities in respect of the amendment of the pricing range of the Service Fees
“Track Record Period”	has the meaning ascribed to it under the section headed “LETTER FROM THE BOARD – HISTORICAL TRANSACTION AMOUNTS AND BASIS OF DETERMINING THE ANNUAL CAPS” of this circular

DEFINITIONS

“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

LETTER FROM THE BOARD



AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

Executive Directors:

Mr. Sun Ho (Chairman & CEO)

Ms. Hu Taoye (Chief Financial Officer)

Non-executive Directors:

Mr. Tung Pen Hung

Ms. Qin Yuehong

Mr. Ji Gang

Mr. Zou Liang

Independent non-executive Directors:

Mr. Feng Qing

Dr. Gao Jack Qunyao

Mr. Chow Siu Lui

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Head office and principal place of business:

Unit 3912, 39th Floor, Tower Two

Times Square

Causeway Bay

Hong Kong

November 27, 2023

To the Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – ACQUIRING SERVICE BUSINESS COOPERATION

INTRODUCTION

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.

Reference is also made to the announcement of the Company dated October 27, 2023 in relation to the 2023 Framework Agreement, entered into amongst the Company and the Alipay Entities to renew the existing continuing connected transactions under the 2021 Framework Agreement for a term 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).

* For identification purpose only

LETTER FROM THE BOARD

As disclosed in the announcement of the Company dated November 10, 2023, the Company and the Alipay Entities entered into the Supplemental Agreement, pursuant to which the pricing range of the Service Fees payable by Macau Pass to the Alipay Entities Group (including their respective affiliates) is adjusted from the region from 0.5% to 2.5% of the transaction value processed to the region from 0.2% to 3% of the transaction value processed, details of which are set out in the paragraph headed “Pricing policy” in this circular.

The purpose of this circular is to provide you with, among other things, (i) further particulars of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of SGM.

2023 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. The principal terms of the 2023 Framework Agreement 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

LETTER FROM THE BOARD

- (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;

LETTER FROM THE BOARD

- (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 and 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 0.3% to 3% of the transaction value processed. It is anticipated that such pricing range will be adjusted to the region from 0.2% to 3% of the transaction value processed with effect from the Effective Date. The higher end of the adjusted pricing

LETTER FROM THE BOARD

range was determined to facilitate the payment processing via new cross-border E-Wallet(s) in Macau in the future as Macau Pass primarily collaborated with China-based e-wallets (including e-wallets from Chinese Mainland, Hong Kong and Macau) in the past to facilitate the payment processing of cross-border and local users in Macau, but now Macau Pass is actively seeking to expand its market coverage. It is currently anticipated that the relevant Service Fees for cooperation with certain new cross-border Alipay+ partners' E-Wallet(s) would be higher than the ceiling of the existing pricing range of 1.8% of the transaction value processed for the E-Wallets (i.e., up to 3% of the transaction value processed) chargeable by the existing E-Wallets. The lower end of the adjusted pricing range was determined to cater for the possible special payment scenarios in the future, such as government public affairs and charitable affairs, whereby the transaction fees chargeable by Macau Pass and the service fees payable by Macau Pass would be relatively lower. 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 involve 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.

LETTER FROM THE BOARD

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 ended	
2021	2022	September 30,
<i>HK\$'000</i>	<i>HK\$'000</i>	2023
		<i>HK\$'000</i>
76,610	35,590	50,800

The table below sets forth the annual caps for the service fees payable by Macau Pass to the Alipay Entities Group under the 2021 Framework Agreement for the year ended December 31, 2022 and the year ending December 31, 2023:

For the year ended	For the year ending
December 31,	December 31,
2022	2023
<i>HK\$'000</i>	<i>HK\$'000</i>
95,000	100,000

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

LETTER FROM THE BOARD

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 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 favourable 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.

LETTER FROM THE BOARD

In addition, the Group (including Macau Pass) will review the pricing basis of the Service Fees prior to the renewal of the framework agreement and from time to time when entering into Specific Execution Agreement(s) 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 as and when necessary as determined by the finance department of the Company, 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 favourable to the Alipay Entities Group than those available to independent third-party payment platforms under the same or similar conditions. In the event that it is not necessary to conduct market researches on the comparable services fees, the personnel from the finance department of the Company has sufficient knowledge and experience to determine the market range of service fees chargeable by other independent third party payment service providers based on Macau Pass' past business dealings with such providers.

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 or if the price range of the Service Fees of the CCTs will exceed the price range of the Service Fees set out in the 2023 Framework Agreement 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.

LETTER FROM THE BOARD

GEM LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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 (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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.

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 (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps).

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 financial institution" licensed under Autohidden Moneria 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.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 Latest Practicable Date, 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.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Feng Qing, Dr. Gao Jack Qunyao and Mr. Chow Siu Lui, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps). The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

THE SGM

The SGM will be convened and held at 2:30 p.m. on Monday, December 18, 2023 at Holiday Inn Express Hong Kong Causeway Bay, Meeting Room I & II, 7/F, 33 Sharp Street East, Causeway Bay, Hong Kong for the Shareholders to consider and, if thought fit, pass the resolution(s) to approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps). Any Shareholder with a material interest in the transactions contemplated under the 2023 Framework Agreement and his/her/its associates shall abstain from voting on the resolution(s) approving the same.

To the best knowledge, belief and information of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, (i) Ali Fortune was interested in 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital of the Company); (ii) Mr. Sun Ho was 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 an 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, who were together interested in 9,139,647,217 Shares (representing approximately 78.30% of the issued share capital of the Company), shall abstain from voting on the resolution(s) in relation to the 2023 Framework Agreement (as amended and supplemented by the Supplemental 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, who were interested in 250,447,450 Shares (representing approximately 2.15% of the issued share capital of the Company) as at the Latest Practicable Date, will be required to abstain from voting on the resolution(s) to approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) at the SGM.

LETTER FROM THE BOARD

The notice of SGM is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's Hong Kong branch share registrar, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM (or any adjournment thereof). Completion and return of a form of proxy will not preclude you from attending and voting in person at the SGM (or any adjournment thereof) should you so desire. The voting in respect of the resolution(s) contained in the notice of SGM will be conducted by way of a poll at the SGM prescribed under the GEM Listing Rules. An announcement on the poll results will be made by the Company after the SGM.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee which contains the advice of the Independent Board Committee to the Independent Shareholders regarding the resolution(s) to approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps), and the letter of advice from the Independent Financial Adviser which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps).

The Directors (including the independent non-executive Directors whose opinion has been set out in this circular after taking into consideration the advice of the Independent Financial Adviser) are of the view that the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) are entered into in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) together with the Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution(s) relating thereto at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular and the notice of SGM.

Yours faithfully,
By Order of the Board
AGTech Holdings Limited
Sun Ho
Chairman & CEO

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of advice from the Independent Board Committee setting out its recommendation to the Independent Shareholders for the purpose of inclusion in this circular.



AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

November 27, 2023

To the Independent Shareholders

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – ACQUIRING SERVICE BUSINESS COOPERATION

We refer to the circular dated November 27, 2023 of the Company (the “**Circular**”) of which this letter forms part.

Capitalised terms used in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to advise you in connection with the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps), details of which are set out in the letter from the Board in the Circular.

Opus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) (including the Annual Caps) are fair and reasonable and on normal commercial terms or better and whether the entering into of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We wish to draw your attention to the letter from the Board, as set out on pages 6 to 17 of the Circular, and the letter of advice from the Independent Financial Adviser, as set out on pages IFA-1 to IFA-22 of the Circular. Having considered the terms of the 2023 Framework Agreement and the Annual Caps and the advice given by the Independent Financial Adviser and the principal factors and reasons taken into consideration by it in arriving at its advice, we are of the opinion that the entering into of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the SGM to approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,

Independent Board Committee

Mr. Feng Qing

*Independent non-executive
Director*

Dr. Gao Jack Qunyao

*Independent non-executive
Director*

Mr. Chow Siu Lui

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter from Opus Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps), which has been prepared for the purpose of inclusion in this circular.



18th Floor, Fung House
19-20 Connaught Road Central
Central, Hong Kong

November 27, 2023

*To: the Independent Board Committee and the Independent Shareholders of
AGTech Holdings Limited*

Dear Sirs or Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS – ACQUIRING SERVICE BUSINESS COOPERATION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) (i.e. the CCTs), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of AGTech Holdings Limited dated November 27, 2023 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

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).

As disclosed in the announcement of the Company dated November 10, 2023, the Company and the Alipay Entities entered into the Supplemental Agreement, pursuant to which the pricing range of the Service Fees payable by Macau Pass to the Alipay Entities Group (including their respective affiliates) is adjusted from the region from 0.5% to 2.5% of the transaction value processed to the region from 0.2% to 3% of the transaction value processed.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, 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 Group 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 (as amended and supplemented by the Supplemental 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 CCTs will be subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

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 (as amended and supplemented by the Supplemental 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 (as amended and supplemented by the Supplemental 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) by way of poll in respect of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps). As at the Latest Practicable Date, (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, who were together interested in 9,139,647,217 Shares (representing approximately 78.30% of the issued share capital of the Company), shall abstain from voting on the resolution(s) in relation to the 2023 Framework Agreement (as amended and supplemented by the Supplemental 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, who were interested in 250,447,450 Shares (representing approximately 2.15% of the issued share capital of the Company) as at the Latest Practicable Date, will be required to abstain from voting on the resolution(s) to approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) at the SGM. Save for the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) at the SGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Feng Qing, Dr. Gao Jack Qun Yao and Mr. Chow Siu Lui, has been established to give recommendation to the Independent Shareholders in connection with the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps). We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

We were appointed as the independent financial adviser to advise (i) the independent board committee and the independent shareholders of Alibaba Pictures Group Limited (stock code: 1060) ("**Alibaba Pictures**"), a listed subsidiary of Alibaba Holding, in respect of (a) the renewal of certain continuing connected transactions, details of such transactions are set out in the circular of Alibaba Pictures dated March 10, 2023 and (b) the entering into of certain continuing connected transactions, details of such transactions are set out in the circular of Alibaba Pictures dated March 7, 2022; (ii) the independent board committee and the independent shareholders of Alibaba Health Information Technology Limited (stock code: 241) ("**Alibaba Health**"), a listed subsidiary of Alibaba Holding, in respect of (a) the renewal of certain continuing connected transactions, details of such transaction are set out in the circular of Alibaba Health dated March 14, 2023 and (b) the renewal of certain continuing connected transactions, details of such transactions are set out in the circular of Alibaba Health dated March 8, 2022; and (iii) the board of directors of the Company in respect of certain de minimis continuing connected transaction which had a long duration of over three years, we issued our independent advisory letter under Rule 20.50 of the GEM Listing Rules on October 9, 2023 (collectively, the "**Past Appointments**"). The Past Appointments are independent of this current appointment with the Company.

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company, the Group, Alibaba Group, Alipay Entities Group or other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to the date of this letter, save the Past Appointments, we have not acted as an independent financial adviser or financial adviser to the Company. Apart from the normal professional fees paid or payable to us in connection with the Past Appointments and the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, the Group, Alibaba Group, Alipay Entities Group or other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 17.96 of the GEM Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement);
- (ii) the annual report of the Company for the year ended December 31, 2022 (the “**2022 Annual Report**”);
- (iii) the interim report of the Company for the six months ended June 30, 2023 (the “**2023 Interim Report**”);
- (iv) the Circular;
- (v) the circular of the Company dated October 29, 2021 in relation to, among others, the 2021 Framework Agreement (the “**2021 Circular**”);
- (vi) the announcement of the Company dated October 27, 2023 in relation to the 2023 Framework Agreement, entered into amongst the Company and the Alipay Entities to renew the existing continuing connected transactions;
- (vii) the announcement of Company dated November 10, 2023 in relation to the further update on renewal of continuing connected transactions and the Supplemental Agreement;
- (viii) the calculation worksheet of the Annual Caps (the “**Annual Cap Workings**”); and
- (ix) other information as set out in the Circular.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and/or the management of the Group (collectively, the “**Management**”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. The Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the SGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely for their consideration of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps), and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have taken into consideration, inter alia, the following principal factors and reasons:

1. Information about the parties

The Group

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

Macau Pass, an indirect wholly-owned subsidiary of the Company, is a leading payment service provider in Macau and is an “other financial 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 service.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Of relevance to the CCTs, Macau Pass supplies integrated payment terminals and provides acquiring service to merchants which enable merchants to accept different payment methods from payment service providers, including but not limited to the (i) “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) (i.e. the E-Wallets) operated by the Alipay Entities; and (ii) WeChat Pay and other e-wallets launched by certain other banks in Macau (collectively, the “**Payment Service Providers**”). Macau Pass receives commission income (based on a percentage of the transaction value) from merchants for processing payment of the transaction, and pays a portion of such commission (based on a percentage lower than the commission rate of the transaction value) as service fees to the Payment Service Providers. In the context of the CCTs, such services fees are referred to as the Service Fees payable by Macau Pass to the Alipay Entities Group under the 2023 Framework Agreement.

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 Latest Practicable Date, 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 Latest Practicable Date, 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.

2. Reasons for and benefits of entering into the 2023 Framework Agreement to renew the CCTs

We note that the 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 the Payment Service Providers, including but not limited to the E-Wallets. We also note from the 2021 Circular and the Circular that historically since the year ended December 31, 2018 until the present time, continuing service fees have been paid by Macau Pass in its ordinary and usual course of business to the Alipay Entities Group.

As referred to the Letter from the Board, 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 Group. As a result of such mutually beneficial business relationships/model in the provision of acquiring service to the E-Wallets, Macau Pass generates commission income (based on a percentage of the transaction value) from merchants for processing payment of the transaction, and pays a portion of such commission (based on a percentage lower than the commission rate of the transaction value) as Service Fees to the Alipay Entities Group. The payment of the Service Fees to Alipay Entities Group for processing payment of the transactions is part of the business model of providing acquiring service and is of market convention.

Considering that (i) the provision of acquiring service has always been one of the principal business activities of Macau Pass; (ii) the long history of the mutually beneficial collaboration between Macau Pass and the Alipay Entities Group; and (iii) the payment of the Service Fees to Alipay Entities for processing payment of the transactions is part of the business relationships/model of providing acquiring service and is in line with market convention, we are of the view that the entering into of the 2023 Framework Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement)

Summaries of the principal terms of the 2023 Framework Agreement 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).
- 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 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 (i.e. Macau Pass) shall carry out their business cooperation in accordance with the Specific Execution Agreements which shall set out their respective rights and obligations under such cooperation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (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 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) 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 be limited 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;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (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 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 based on 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 the 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 currently in the region from 0.3% to 3% (the "**Normal Fee Range**") of the transaction value processed. As referred to in the Supplemental Agreement, it is anticipated

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

that such pricing range will be adjusted to the region from 0.2% to 3% of the transaction value processed with effect from the Effective Date. The higher end of the adjusted pricing range was determined to facilitate the payment processing via new cross-border E-Wallet(s) in Macau in the future and as Macau Pass only primarily collaborated with China-based e-wallets (including e-wallets from Chinese Mainland, Hong Kong and Macau) in the past to facilitate the payment processing of cross-border and local users in Macau but now Macau Pass is actively seeking to expand its market coverage. The lower end of the adjusted pricing range was determined in order to cater for the possible special payment scenarios to be collaborated with the Alipay Entities Group (including their respective affiliates) in the future, such as government public affairs and charitable affairs.

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 involve 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.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Our procedures and analysis

We note that the pricing policy and payment terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) largely align with those of the 2021 Framework Agreement, with only the exception that it states that the Normal Fee Range (which, at the time of entering into of the 2021 Framework Agreement, was in the region from 0.5% to 1.8% of the transaction value processed (the “**2021 Normal Fee Range**”)) will be adjusted to the region from 0.2% to 3% of the transaction value processed for reasons as stated above.

We understand from the discussion with the Management that in determining the Service Fees payable by Macau Pass to the Alipay Entities they have primarily taken into consideration factors such as (i) the historical range of service fees paid by Macau Pass in respect of its acquiring service provided to other Payment Service Providers which are third parties independent of Macau Pass and its connected persons, which was within the Normal Fee Range; and (ii) the historical range of service fees paid by Macau Pass in respect of its acquiring service provided to Alipay Entities Group as per the 2021 Framework Agreement, which was also within the Normal Fee Range. Where in the circumstances that there is no comparable scale or type of transactions conducted with other Payment Service Providers which are third parties independent of Macau Pass and its connected persons, the Management will also consider the historical range of service fees charged by 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.

As set out in the section headed “2. Reasons for and benefits of entering into the 2023 Framework Agreement to renew the CCTs” above, we understand that Macau Pass has all along been appointed to provide acquiring service to the Alipay Entities, which service was governed under the historical specific execution agreements. As such, we consider that the review of the current and unexpired specific execution agreements entered into between Macau Pass and each of: (i) the Alipay Entities Group; and (ii) other payment platforms which are third parties independent of Macau Pass and its connected persons serve as a good reference point for assessing whether the pricing terms are of normal commercial terms.

Firstly, we have, on a random basis, obtained and reviewed four current and unexpired specific execution agreements entered into between Macau Pass and each of the Alipay Entities or its affiliated entities (i.e. Alipay, Alipay Singapore and Ant Bank) (the “**Sample Executed Alipay Agreements**”). We noted that (i) the Sample Executed Alipay Agreements carry the detailed terms as set out in the sub-paragraph (4) under the paragraph headed “Acquiring service business cooperation” above; (ii) these detailed terms are in line with those set out in the 2021 Framework Agreement and the 2023 Framework Agreement; and (iii) the pricing terms of the Sample Executed Alipay Agreements were within the Normal Fee Range.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Secondly, we have, on a random basis, obtained and reviewed the same sample size of four current and unexpired specific execution agreements entered into between Macau Pass and other Payment Service Providers which are third parties independent of Macau Pass and its connected persons, (the “**Sample Executed I3P Agreements**”). After reviewing the Sample Executed I3P Agreements, we noted that the service fees payable by Macau Pass thereunder were within the Normal Fee Range. In addition, we noted that the pricing and other terms set out in the Sample Executed Alipay Agreements were consistent with those of the Sample Executed I3P Agreements with comparable scale or type of transactions.

Further, as an additional due diligence procedure, we have enquired and received confirmation from Alipay through the Management that the service fees for acquiring service charged by the Alipay Entities Group to the other independent third parties are in line with the Normal Fee Range of 0.2% to 3% of the transaction value in respect of the service fees charged by the Alipay Entities Group to Macau Pass, and that the service fees charged, and the terms offered, by the Alipay Entities Group to Macau Pass are in line with or not less favorable than those offered by the Alipay Entities Group to other independent third parties (including the higher service fees for the cross-border E-Wallet(s) via Alipay+ in the future).

In respect of the lifting of the ceiling under the 2021 Normal Fee Range for the Alipay Entities Group (including their respective affiliates) from 1.8% to 3% of the transaction value processed, which, according to the Management, is mainly because in the past Macau Pass only primarily collaborated with China-based e-wallets (including e-wallets from Chinese Mainland, Hong Kong and Macau) to facilitate the payment processing of cross-border and local users in Macau, while it is now actively seeking to expand market coverage to also introduce more new cross-border Alipay+ partners’ E-Wallet(s) to Macau. Macau Pass would also be looking to expand the online payment transaction processing for cross-border users, for example, to enable certain Macau-based apps to accept cross-border E-Wallets for the processing of online transactions. The Company has announced the relevant business expansion in its voluntary announcement dated May 11, 2023. It is envisioned that Macau Pass will be partnering with these new cross-border Alipay+ partners’ E-Wallet(s) to enable overseas visitors to use such cross-border E-Wallet(s) to pay for goods and services in Macau utilizing Macau Pass’ acquiring service. It is currently anticipated that the relevant Service Fees for cooperation with these cross-border Alipay+ partners’ E-Wallets would be higher than the ceiling under the 2021 Normal Fee Range of 1.8% (i.e., up to 3% of the transaction value processed) than those chargeable by the existing E-Wallets. We understood by discussing with the Management, given the fact that the relevant Services Fees charged by the Alipay Entities Group for these cross-border E-Wallets was mainly to be collected by the Alipay+ while the majority of the Service Fees are to be passed through to the relevant Alipay+ partners and the relevant Services Fees chargeable to Macau Pass would be in line with and comparable to the relevant services fees chargeable to all acquirers (including both Macau Pass and all other independent third party acquirers, we therefore took comfort on the lifting of the ceiling under the 2021 Normal Fee Range at 1.8% to 3% of the transaction value processed.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of the lowering of the 2021 Normal Fee Range's floor from 0.5% to 0.2% of the transaction value processed, which, according to the Management, is mainly because of the need to cater for the possible special payment scenarios to be collaborated with the Alipay Entities Group (including their respective affiliates) in the future such as government public affairs and charitable affairs, whereby the transaction fees chargeable by Macau Pass and the service fees payable by Macau Pass would be relatively lower.

Having considered: (i) the pricing and other terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the Specific Execution Agreements in respect of the provision of acquiring service of Macau Pass shall be determined in the ordinary and usual course of business on normal commercial terms and shall be negotiated on an arm's length basis between the parties thereto; (ii) the terms offered by Macau Pass to the Alipay Entities Group 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 to Macau Pass should be in line with and not less favorable than those offered by the Alipay Entities Group to other independent third party acquiring service providers; (iii) where the Alipay Entities 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; (iv) the pricing policy and payment terms of the 2023 Framework Agreement largely align with those of the 2021 Framework Agreement; (v) the service fees payable by Macau Pass under the Sample Executed Alipay Agreements and the Sample Executed I3P Agreements were within the Normal Fee Range; (vi) confirmation from Alipay through the Management that the service fees for acquiring service charged by the Alipay Entities Group to the other independent third parties are in line with the Normal Fee Range of 0.2% to 3% of the transaction value in respect of the service fees charged by the Alipay Entities Group to Macau Pass, and that the service fees charged, and the terms offered, by the Alipay Entities Group to Macau Pass are in line with or not less favorable than those offered by the Alipay Entities Group to other independent third parties (including the higher service fees for the cross-border E-Wallet(s) via Alipay+ in the future); (vii) the reasons for the adjusted Normal Fee Range as stated above; and (viii) the Group's internal control measures to be discussed in the section headed "4. Internal control measures for the CCTs" below, we consider the terms of the 2023 Framework Agreement to be on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Internal control measures for the CCTs

In respect of the CCTs, the Company has adopted the following internal control procedures (the “IC Procedures”) to safeguard the interests of the Shareholders:

- (i) 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 favorable 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;
- (ii) the Group (including Macau Pass) will review the pricing basis of the Service Fees prior to the renewal of the framework agreement and from time to time when entering into Specific Execution Agreement(s) 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 as and when necessary as determined by the finance department of the Company, 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. In the event that it is not necessary to conduct market researches on the comparable services fees, the personnel from the finance department of the Company has sufficient knowledge and experience to determine the market range of service fees chargeable by other independent third party payment service providers based on Macau Pass’ past business dealings with such providers;
- (iii) 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 or if the price range of the Service Fees of the CCTs will exceed the price range of the Service Fees set out in the 2023 Framework Agreement 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; and

- (iv) 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.

We have obtained and reviewed the latest internal control guideline in relation to connected transactions of the Group (the “**IC Guideline**”) and noted that these IC Procedures are in line with the IC Guideline.

From the IC Procedures, we note that, at the execution level, the Management will check 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 favorable 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. The finance department will also regularly review the pricing basis of the Service Fees and monitor the utilization of the Annual Caps. At the Board level, the CCTs will be subject to annual review by the independent non-executive Directors. We have obtained the annual review records by the independent non-executive Directors on the continuing connected transactions conducted by the Group for the two years ended December 31, 2021 and 2022 and noted that the independent non-executive Directors confirmed that the continuing connected transactions conducted by the Group in the two years ended December 31, 2021 and 2022 were conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better and the terms were fair and reasonable and in the interests of Shareholders as a whole. At the expert level, independent auditors of the Company will conduct annual reviews on the CCTs. We have obtained and reviewed the letter from the independent auditor's letter for the two years ended December 31, 2021 and 2022 in respect of the CCTs and noted no exception was flagged.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Lastly, we have also discussed with Management and understood that the Management is aware of the IC Procedures and will comply with IC Procedures when conducting the transactions contemplated under the 2023 Framework Agreement.

Given (i) the existence of such three layers (i.e. execution level, Board level and expert level) of the IC Procedures in place; and (ii) the Management is aware of the IC Procedures and will comply with IC Procedures when conducting the transactions contemplated under the 2023 Framework Agreement, we are of the view that the Company has adopted adequate internal control measures to comply with the GEM Listing Rules requirements with respect to (i) the supervision and monitoring of the Annual Caps of the transactions contemplated under the 2023 Framework Agreement; and (ii) ensuring that the relevant CCTs will be conducted in accordance with the pricing policies set out in the 2023 Framework Agreement.

5. Historical amounts of the Service Fees and the Annual Caps

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 (i.e. the Track Record Period):

Table 1: Historical amounts of the Service Fees

	For the year ended December 31, 2021	For the year ended December 31, 2022	For the nine months ended September 30, 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Historical amounts	76,610	35,590 <i>(Note 2)</i>	50,800
Historical annual caps	N/A <i>(Note 1)</i>	95,000	100,000 <i>(Note 3)</i>

Notes:

- 1. The relevant historical annual cap for the year ended December 31, 2021 was not applicable as the 2021 Framework Agreement was not effective during the relevant financial year. Between January 1, 2021 and December 31, 2021, the relevant service fees paid by Macau Pass were not regarded as continuing connected transactions for the Company.*
- 2. The relevant historical amount for the year ended December 31, 2022 was a full financial year amount inclusive of those service fees paid by Macau Pass to the Alipay Entities between January 1, 2022 and the date immediately before the then effective date of the 2021 Framework Agreement (i.e. March 24, 2022). Between January 1, 2022 and the date immediately before such effective date, the relevant service fees paid by Macau Pass to the Alipay Entities were not regarded as continuing connected transactions for the Company.*
- 3. The relevant historical annual cap was for the full financial year ended December 31, 2023.*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The decrease in Service Fees paid by Macau Pass to the Alipay Entities for the year ended December 31, 2022 was in line with the decrease in acquiring service revenue of Macau Pass for such year, which was attributable to a number of factors including, among others, (i) the year-on-year (“YoY”) decrease of approximately 26.0% in the number of visitor arrivals to approximately 5.7 million in Macau in 2022 according to the data released by the Statistics and Census Service of the Government of Macau (the “DSEC”); (ii) the YoY decrease of approximately 25.7% in the visitor spending in Macau in 2022 to approximately MOP18,165 million according to the data released by the DSEC; and (iii) affected by the intensifying outbreak of COVID-19 pandemic (the “Pandemic”) in Macau in 2022 along with the strict lockdown measures and travel constraints in response to the Pandemic.

The increase in Service Fees paid by Macau Pass to the Alipay Entities for the nine months ended September 30, 2023 was mainly attributable to the increase in revenue from the acquiring service of Macau Pass for the same period, which was primarily as a result of, among others, (i) the announcement of the Pandemic had become an endemic disease in Macau and the cancellation of almost all the travel constraints and lockdown measures in late December 2022; (ii) the removal of mandatory quarantine requirements for inbound tourists in January 2023 for the PRC; (iii) the strong recovery of tourist activities in Macau, resulting in the significant YoY increase of approximately 357.1% in the number of visitor arrivals to approximately 19.93 million in Macau for the nine months ended September 30, 2023 as compared to approximately 4.36 million during the corresponding period in 2022; (iv) the significant increase of approximately 210.9% in the visitor spending in Macau to approximately MOP32,460 million for the six months ended June 30, 2023 as compared to the corresponding period in 2022; (v) the partnership with Alipay+ partners’ E-Wallets, which facilitates the cross-border payments for overseas visitors; and (vi) the support and promotion by the government of Macau of electronic payment by launching the “Simple Pay” system, as well launching the third round of “Electronic Consumption Benefits Plan” from June 2022 to February 2023.

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:

Table 2: Annual Caps for the Service Fees

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Basis of determining the Annual Caps

As stated in the Letter from the Board, 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 Pandemic; (b) the expansion of its network of merchants by Macau Pass in Macau; (c) the increase in per capita consumption of Chinese Mainland 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.

6. Our analysis on the Annual Caps

In assessing the fairness and reasonableness of the Annual Caps, we first considered the historical amounts of the Service Fees.

From Table 1 above, we noted that the historical amounts of the Service Fees recorded for the nine months ended September 30, 2023 was HK\$50.80 million (when annualized would arrive at approximately HK\$67.7 million), which was broadly in line with the Annual Cap for the period from the Effective Date to March 31, 2024 (assuming there are three months in this period, when annualized would arrive at HK\$80 million). The Annual Cap for the period from the Effective Date to March 31, 2024, when annualized, is approximately 18.2% higher than the annualized historical amounts of the Service Fees recorded for the nine months ended September 30, 2023 of HK\$67.7 million. Given the fact that the nine months ended September 30, 2023 was a period without the negative impacts brought about by the Pandemic, we took comfort from knowing that the Annual Cap for the period from the Effective Date to March 31, 2024 does not deviate significantly from the historical amount of the Service Fees recorded for the nine months ended September 30, 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

From Table 1 above, we also noted that the historical amount of the Service Fees recorded for the nine months ended September 30, 2023 of approximately HK\$50.8 million was significantly higher than the historical amount of the Service Fees for the entire year ended December 31, 2022 of approximately HK\$35.6 million. As advised by the Management, the surge in the Services Fees for the nine months ended September 30, 2023 was mainly contributed by the reasons explained in the section above. Benefiting from the relaxation of the entry requirements for the Pandemic in both Macau and the PRC, the Macau Pass acquiring service business improved remarkably during the first nine months of 2023. According to the DSEC, with the easing of the Pandemic measures and the re-opening of the borders, the number of visitor arrivals soared to approximately 19.93 million for the nine months ended September 30, 2023, represented a YoY increase of approximately 357.11% as compared to the corresponding period in 2022. Further, the total spending of visitors expanded by approximately 210.92% to approximately MOP32,460 million for the six months ended June 30, 2023 as compared to the corresponding period in 2022. Besides, Macau's economy is expected to improve gradually, along with the specials offers to attract visitors from different countries, as well as holding an array of mega events in the latter half of 2023 as announced by the Macau Government Tourism Office (the "MGTO").

To further assess the fairness and reasonableness of the Annual Caps, we have obtained and reviewed the Annual Cap Workings provided to us by the Management. It was noted that the Annual Caps were determined based on the historical number and value of the online (the "**Online Transaction(s)**") and offline transactions (the "**Offline Transaction(s)**") processed through the acquiring service provided by Macau Pass to merchants for accepting the E-Wallets during the Track Record Period. We noted that the estimation of the Annual Cap for the period from the Effective Date to March 31, 2024 was based on the estimation of the Annual Cap for the year ending in December 31, 2024 and apportioned in a quarterly manner. The estimation of the Annual Cap for the year ending in December 31, 2024 was based on, among others, (i) the historical/forecasted number of the Online Transactions for the year ending December 31, 2023 with a 20% increment; (ii) the historical/forecasted number of the Offline Transactions for the year ending December 31, 2023 with a 30% increment; (iii) the historical/forecasted total value of the Online Transactions for the year ending December 31, 2023 with a 15% increment; (iv) the historical/forecasted total value of the Offline Transactions for the year ending December 31, 2023 with a 25% increment; and (v) the expansion of Macau Pass' payment ecosystem to accept payments via cross-border E-Wallets in Macau, and the resultant estimated average Service Fees paid/payable to the Alipay Entities Group fall within the Normal Fee Range of Macau Pass.

As advised by the Management and indicated in the relevant Annual Cap Workings, the aforesaid increments for the year ending December 31, 2024 (which was prior to the apportionment to arrive at the estimation of the Annual Cap for the period from the Effective Date to March 31, 2024) in the number of the Online Transactions and the Offline Transactions, were adopted after considering the (i) increased usage of digital payment by both local and international consumers; and (ii) strong tourism activities in Macau along with the events and promotions to be held by the MGTO. Based on the data released by the DSEC, there were more than 4.95 million visitor arrivals in Macau for first quarter of 2023 and there were already more than 11 million visitor arrivals in Macau during the first half of 2023, of which have exceeded the entire number of visitor arrivals in Macau during 2022. In second quarter of 2023, there were approximately 6.7 million visitor arrivals in Macau, representing a YoY increase of approximately 3.2 times compared to the same period during 2022. As such, we agree that, in view of (i) the strong recovery of tourism activities in Macau as demonstrated in 2023; (ii) high penetration of e-payment in Macau merchants; and (iii) expansion to the cross-border payments market along with the Alipay+ partners' E-Wallets, the adoption of the aforementioned increments in the Annual Cap Workings for the period from the Effective Date to March 31, 2024 to be fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

From the review of the Annual Cap Workings, it was noted that the Annual Cap for the 12-month period ending March 31, 2025 of HK\$86 million was based on three quarters of the Annual Cap estimated for the year ending December 31, 2024 and one quarter of the Annual Cap estimated for the year ending December 31, 2025. Likewise, it was noted that the Annual Cap for the 12-month period ending March 31, 2026 of HK\$100 million was based on three quarters of the Annual Cap estimated for the year ending December 31, 2025 and one quarter of the Annual Cap estimated for the year ending December 31, 2026. Based on our review of the Annual Cap Workings, we are given to understand that the Annual Caps estimated for the two years ending in December 31, 2025 and 2026 were based on (i) the estimated number of the Online Transactions for the year ending December 31, 2024 with a YoY 20% increment; (ii) the estimated number of the Offline Transactions for the year ending December 31, 2024 with a 20% YoY increment; (iii) the estimated total value of the Online Transactions for the year ending December 31, 2024 with a 15% YoY increment; (iv) the estimated total value of the Offline Transactions for the year ending December 31, 2024 with a YoY 15% increment; and (v) the expansion of Macau Pass' payment ecosystem to accept payments via cross-border E-Wallets in Macau, and the resultant estimated average Service Fees paid/payable to the Alipay Entities Group fall within the Normal Fee Range of Macau Pass.

As advised by the Management, it is expected that (i) the tourism activities in Macau will further improve in 2025 and 2026, while Macau will continue to benefit from the post-Pandemic tourism boom; (ii) the demand for electronic payments, including cross-border payments will continue to grow rapidly; and (iii) Macau Pass will further increase its market share in the cross-border payments market while Alipay+ expands its cross-border E-wallets partners across Asia. In light of the above, the Management considers that the overall volume of the Online Transactions and Offline Transactions processed by Macau Pass from 2025 to 2026 will grow further. As such, a 20% YoY increment is adopted in both the number of the Online Transactions and the Offline Transactions; and a 15% YoY increment is adopted in both the total value of the Online Transactions and the Offline Transactions.

In view of the above which are consistent with the determination basis of the Annual Caps as stated in the Letter from the Board, we consider that the Annual Caps to be fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

In view of the above principal factors and reasons, we consider that the entering into of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favor of the resolution(s) to be proposed at the SGM to approve the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,
For and on behalf of
Opus Capital Limited
Cheung On Kit Andrew
Executive Director

Mr. Cheung On Kit Andrew is an Executive Director of Opus Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activity. Mr. Cheung has over 15 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, to be notified to the Company and the Stock Exchange, were as follows:

(i) Interests in Shares/restricted share unit of the Company

Name of Director	Number of Shares/restricted share units held			Approximate percentage held (Note 1)
	Personal interest	Corporate interest	Total	
Mr. Sun Ho	54,158,000 (Note 2)	2,006,250,000 (Note 3)	2,060,408,000	17.652%
Ms. Hu Taoye	5,384,000 (Note 4)	–	5,384,000	0.046%
Mr. Tung Pen Hung (Appointed on May 12, 2023)	–	–	–	0%
Ms. Qin Yuehong (Appointed on May 12, 2023)	–	–	–	0%
Mr. Ji Gang	–	–	–	0%
Mr. Zou Liang	–	–	–	0%
Mr. Chow Siu Lui	–	–	–	0%

Name of Director	Number of Shares/restricted share units held			Approximate percentage held (Note 1)
	Personal interest	Corporate interest	Total	
Mr. Feng Qing	375,000	–	375,000	0.003%
Dr. Gao Jack Qunyao	750,000	–	750,000	0.006%

Notes:

1. Based on a total of 11,672,342,235 Shares in issue as at the Latest Practicable Date.
2. It represents 46,158,000 Shares and 8,000,000 restricted share units (granted under the Share Award Scheme) beneficially held by Mr. Sun Ho.
3. These 2,006,250,000 Shares were held in the name of Maxprofit Global Inc. As Maxprofit Global Inc is beneficially and wholly-owned by Mr. Sun Ho, the chairman, executive Director and CEO of the Company, Mr. Sun was deemed to be interested in such Shares under the SFO.
4. It represents 288,000 Shares and 5,096,000 restricted share units (granted under the Share Award Scheme) beneficially held by Ms. Hu Taoye.

(ii) Interests in shares and underlying shares of Alibaba Holding, an associated corporation of the Company within the meaning of Part XV of the SFO

Name of Director	Capacity	Number of shares/ underlying shares held		Approximate percentage of total issued share capital of Alibaba Holding (Note 2)
		(in the number of American Depository Shares (“ADS(s)”) of Alibaba Holding) (Note 1)	(in the number of ordinary shares of Alibaba Holding) (Note 1)	
Ms. Hu Taoye	(Note 3)	18,911	151,288	0.001%
Mr. Tung Pen Hung	(Note 4)	79,676	637,408	0.003%
Ms. Qin Yuehong	(Note 5)	51,500	412,000	0.002%
Mr. Ji Gang	(Note 6)	10,235	81,880	negligible
Mr. Zou Liang	(Note 7)	2,540	20,320	negligible

Notes:

1. One ADS of Alibaba Holding represents eight ordinary shares of Alibaba Holding; and one restricted share unit (“RSU(s)”) of Alibaba Holding represents one ADS of Alibaba Holding.
2. Based on a total of 20,274,382,712 ordinary shares of Alibaba Holding in issue as at the Latest Practicable Date.
3. The interest comprised 16,061 ADSs of Alibaba Holding and 2,850 RSUs of Alibaba Holding beneficially held by Ms. Hu Taoye.
4. The interest comprised 61,926 ADSs of Alibaba Holding and 17,750 RSUs of Alibaba Holding beneficially held by Mr. Tung Pen Hung.
5. The interest comprised 34,500 ADSs of Alibaba Holding and 17,000 RSUs of Alibaba Holding beneficially held by Ms. Qin Yuehong.
6. The interest comprised 8,628 ADSs of Alibaba Holding and 1,607 RSUs of Alibaba Holding beneficially held by Mr. Ji Gang.
7. The interest comprised 2,085 ADSs of Alibaba Holding and 455 RSUs of Alibaba Holding beneficially held by Mr. Zou Liang.

(iii) Interests in shares and underlying shares of Alibaba Pictures Group Limited (“Ali Pictures”), an associated corporation of the Company within the meaning of Part XV of the SFO

Name of Director	Capacity	Number of shares/ underlying shares of Ali Pictures held	Approximate percentage of total issued share capital of Alibaba Holding (Note 1)
Mr. Zou Liang	(Note 2)	90,000	negligible

Notes:

1. Based on a total of 26,975,740,156 ordinary shares of Ali Pictures in issue as at the Latest Practicable Date.
2. The interest comprised 90,000 ordinary shares of Ali Pictures beneficially held by Mr. Zou Liang.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of total issued share capital of the Company <i>(Note 1)</i>
Ali Fortune <i>(Note 2)</i>	Beneficial owner	6,502,723,993	55.71%
Alibaba Investment Limited <i>(Note 2)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%
API Holdings Limited <i>(Note 2)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%
Alibaba Holding <i>(Note 3)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%
API (Hong Kong) Investment Limited <i>(Note 4)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%
Shanghai Yunju Venture Capital Investment Co., Ltd. (formerly known as Shanghai Yunju Investment Management Co., Ltd.) <i>(Note 5)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%
Ant Holdco <i>(Note 6)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%
Yunbo <i>(Note 7)</i>	Interest of controlled corporation	6,502,723,993 <i>(Note 8)</i>	55.71%

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of total issued share capital of the Company (Note 1)
Mr. Ma Yun (Note 7)	Interest of controlled corporation	6,502,723,993 (Note 8)	55.71%
Mr. Jing Eric Xiandong (Note 7)	Interest of controlled corporation	6,502,723,993 (Note 8)	55.71%
Ms. Jiang Fang (Note 7)	Interest of controlled corporation	6,502,723,993 (Note 8)	55.71%
Mr. Hu Simon Xiaoming (Note 7)	Interest of controlled corporation	6,502,723,993 (Note 8)	55.71%
Maxprofit Global Inc (Note 9)	Beneficial owner	2,006,250,000	17.19%
Mr. Cheung Lup Kwan Vitor (Note 10)	Interest of controlled corporation	584,515,224	5.01%
Rainwood Resources Limited (Note 10)	Beneficial owner	584,515,224	5.01%

Notes:

1. Based on a total of 11,672,342,235 Shares in issue as at the Latest Practicable Date.
2. Alibaba Investment Limited (“AIL”) and API Holdings Limited (“API Holdings”) held 60% and 40% of the issued share capital of Ali Fortune, respectively.
3. Alibaba Holding held 100% of the issued share capital of AIL.
4. API (Hong Kong) Investment Limited held 100% of the issued share capital of API Holdings.
5. Shanghai Yunju Venture Capital Investment Co., Ltd. (formerly known as Shanghai Yunju Investment Management Co., Ltd.) (“Shanghai Yunju”) held 100% of the issued share capital of API (Hong Kong) Investment Limited.
6. Ant Holdco held 100% of the equity interests in Shanghai Yunju. Junhan and Junao hold approximately 31% and 22% of Ant Holdco’s total issued shares, respectively.

7. Yunbo was the executive partner and the general partner of both Junhan and Junao, and was owned as to 34%, 22%, 22% and 22% by Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang and Mr. Hu Simon Xiaoming, respectively. Pursuant to a concert party agreement (the “**Concert Party Agreement**”) entered into between Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang and Mr. Hu Simon Xiaoming, they had agreed on certain arrangements pertaining to their shareholdings in Yunbo. Pursuant to the SFO, since each of Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang and Mr. Hu Simon Xiaoming was a party to the Concert Party Agreement, each of them was deemed to be interested in the Shares in which the other parties to the Concert Party Agreement were interested. Pursuant to certain agreements entered into by Mr. Ma Yun, Yunbo and others on January 7, 2023, subject to certain conditions (including obtaining regulatory approvals) being satisfied, among other things, the Concert Party Agreement among shareholders of Yunbo would be terminated, Yunbo would cease to be Junhan’s general partner, and Mr. Ma Yun would cease to hold any interests in Yunbo. When these steps are effected, Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang, Mr. Hu Simon Xiaoming and Yunbo will cease to have a notifiable interest. As at the Latest Practicable Date, completion of such agreements has not taken place and was subject to approval of or filing with relevant government authorities, which was currently progressing.
8. Each of AIL, Alibaba Holding, API Holdings, API (Hong Kong) Investment Limited, Shanghai Yunju, Ant Holdco, Junhan, Junao, Yunbo, Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang, and Mr. Hu Simon Xiaoming was taken to be interested in an aggregate of 6,502,723,993 Shares by virtue of Part XV of the SFO.
9. As disclosed in the section headed “DISCLOSURE OF DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS — Interests in Shares/restricted share unit of the Company” above, Mr. Sun Ho was deemed to be interested in these 2,006,250,000 Shares by virtue of his interest in Maxprofit Global Inc.
10. Based on the disclosure of interests form filed on March 3, 2023, the equity interest of Mr. Cheung Lup Kwan Vitor in Rainwood Resources Limited decreased from 100% to 52% with effect from May 9, 2022. Therefore, Mr. Cheung Lup Kwan Vitor was deemed to be interested in these 584,515,224 Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors or chief executive of the Company were not aware of any other persons (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register kept by the Company pursuant to section 336 of the SFO.

As at the Latest Practicable Date, Mr. Tung Pen Hung and Ms. Qin Yuehong were employees of Alibaba Group, and Mr. Zou Liang and Mr. Ji Gang were employees of Ant Group. Save as disclosed herein, none of the Directors or proposed Director was a director or employee of a company that had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Group which is not expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. COMPETING BUSINESS

Ali Fortune, the controlling shareholder 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 and is therefore a “close associate” (as defined in the GEM Listing Rules) of Ali Fortune.

Ant Bank is 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 Bank officially commenced operations in April 2019. It launched the Alipay (Macao) e-wallet payment service in Macau in September 2019. Two Directors, namely Mr. Sun Ho and Mr. Ji Gang, are also directors of Ant Bank.

Following completion of the acquisition of Macau Pass by the Group on March 24, 2022 (the “**Completion**”), Macau Pass has become an indirect wholly-owned subsidiary of the Company and will continue to provide electronic payment services including e-wallet payment service in Macau. Nevertheless, the Company does not regard Ant Bank as a “competing business” operated by Ant Group against the Group because:

- (i) from the perspective of the Group, Ant Bank is a joint venture company in which the Group also has an indirect equity interest and is entitled to indirectly share its financial results; and
- (ii) from the perspective of Macau Pass, Ant Bank has been a business partner in respect of Macau Pass’ acquiring service business in Macau and the two companies shall continue their business cooperation following Completion on terms and conditions consistent with their past practice.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, controlling Shareholders or their respective close associates had interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

7. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which have been, since December 31, 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group.

Save as disclosed in:

- (i) the sections headed "Directors' Material Interests in Transactions, Arrangements or Contracts and Controlling Shareholder's Interests in Contracts" and "Continuing Connected Transactions" in the annual report of the Company for the year ended December 31, 2022; and
- (ii) the section headed "GEM Listing Rules Implications" in the "Letter from the Board" in this circular in relation to the potential conflict of interest in the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) (and the transactions contemplated thereunder), and the potential conflicts of interests of other Directors, namely, Mr. Sun Ho, Mr. Tung Pen Hung, Ms. Qin Yuehong, Mr. Ji Gang and Mr. Zhou Liang, in the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) (and the transactions contemplated thereunder),

as at the Latest Practicable Date, none of the Directors had material interest in any subsisting contract or arrangement which is significant in relation to the business of the Group.

8. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Opus Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert did not have:

- (a) any shareholding, directly or indirectly, in any member of the Group or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) any interest, either direct or indirect, in any assets which had been, since December 31, 2022 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear.

9. DOCUMENTS ON DISPLAY

A copy of the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) will be published on the HKEXnews website operated by the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.agtech.com>), respectively, from the date of this circular up to and including the date which is 14 days from the date of this circular.

NOTICE OF SGM



AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “SGM”) of AGTech Holdings Limited (the “Company”) will be held at 2:30 p.m. on Monday, December 18, 2023 at Holiday Inn Express Hong Kong Causeway Bay, Meeting Room I & II, 7/F, 33 Sharp Street East, Causeway Bay, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendment, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) (as defined in the circular of the Company dated November 27, 2023 (the “Circular”) of which this notice forms part) and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified;
- (b) the Annual Caps (as defined in the Circular) be and are hereby approved; and
- (c) any one director of the Company (or any two directors of the Company or one director and the secretary of the Company, in the case of execution of documents under seal) be and is hereby authorized for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in the 2023 Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder and the implementation thereof including the affixing of seal thereon.”

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

The Hong Kong Special Administrative Region of
the People’s Republic of China, November 27, 2023

* For identification purpose only

NOTICE OF SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business:
Unit 3912, 39th Floor, Tower Two
Times Square
Causeway Bay
Hong Kong

Notes:

1. Any member entitled to attend and vote at the SGM (or any adjournment thereof) is entitled to appoint one or more proxies to attend and vote in his/her stead in accordance with the bye-laws of the Company. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the SGM (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders shall be present at the SGM (or any adjournment thereof) personally or by proxy, that one of the holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time for holding the SGM (or any adjournment thereof), and in default the form of proxy shall not be treated as valid. The completion and return of the form of proxy shall not preclude members from attending and voting in person at the SGM (or any adjournment thereof) should they so desire and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The record date for determining the entitlement of shareholders of the Company to attend and vote at the SGM will be Monday, December 11, 2023. In order to qualify for attending and voting at the SGM (or any adjournment thereof), all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Abacus Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by 4:30 p.m. on Monday, December 11, 2023.

As at the date of this notice, the board of directors of the Company 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.