

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**AGTech Holdings Limited**

**亞博科技控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8279)**

## **POSITIVE PROFIT ALERT**

This announcement is made by AGTech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2)(a) of The Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on its preliminary assessment of the latest unaudited consolidated management accounts of the Group, the Group expects to record a profit for the period of not less than HK\$22 million for the 12 months ended December 31, 2023 (the “**2023 Second Interim**”), as compared with a loss of approximately HK\$131.1 million as recorded for the year ended December 31, 2022 (the “**FY2022**”).

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

- (i) there was an increase in revenue of the Group by not less than HK\$237 million for 2023 Second Interim, mainly due to (a) the consolidation of the financial statements of Macau Pass Holding Limited and its subsidiaries (the “**Macau Pass Group**”) into the financial statements of the Group throughout the entire 2023 Second Interim; whereas the financial statements of the Macau Pass Group were consolidated into the financial statements of the Group only from March 24, 2022 (being the date of completion of acquisition of the Macau Pass Group by the Group) to December 31, 2022 for FY2022, leading to the increase in revenue by approximately HK\$106 million; (b) the increase in revenue of the Group’s electronic payment, lifestyle and games and entertainment business in Macau by not less than HK\$68 million for the nine months ended December 31, 2023 as compared to the nine months ended December 31, 2022, as a result of the economic recovery post-COVID 19, the increase in tourist arrivals in Macau and no further extension on the exemption on transaction service fees charged to small and medium enterprises after the end of February 2023; and (c) the increase in revenue of the Group’s lottery hardware sales and lottery distribution business by not less than HK\$60 million for 2023 Second Interim as compared to FY2022. Nevertheless, the aforesaid increase in revenue of the Group was partially offset by an increase in purchases of and changes in inventories by not less than HK\$18 million and a rise in other operating expenses of the Group by not less than HK\$105 million for 2023 Second Interim, such as (a) an increase in costs (including transaction service fees and handling fees for stored value payment card top-up services, costs incurred for e-wallet services’ customer loyalty programme and technical service fees) by not less than HK\$85 million in respect of the electronic payment business; (b) an increase in distribution expenses related to lottery distribution by not less than HK\$22 million; and partially offset by the decrease in marketing expenses by not less than HK\$12 million for the promotion campaigns relating to the 2022 Electronic Consumption Benefits Plan in Macau;
- (ii) there was an increase in employee benefits expenses of the Group by not less than HK\$35 million for 2023 Second Interim as compared to such expenses of approximately HK\$127.8 million for FY2022, mainly due to (a) the consolidation of the Macau Pass Group’s employee benefits expenses for the entire 2023 Second Interim; whereas such expenses were consolidated into the financial statements of the Group only from March 24, 2022 to December 31, 2022 for FY2022; and (b) the recruitment of staff across the Group to cope with the business growth and expansion;

- (iii) there was an increase in net finance income of the Group to not less than HK\$55 million for 2023 Second Interim, as compared to the net finance income of approximately HK\$44.4 million for FY2022, mainly due to the increase in market interest rates for 2023 Second Interim as compared to FY2022;
- (iv) there was a decrease in net other losses of the Group from approximately HK\$25.4 million for FY2022 to not less than HK\$6 million for 2023 Second Interim, mainly due to a reduction of foreign exchange loss as a result of the stabilization of the depreciation of Renminbi against Hong Kong dollars; and
- (v) it is expected that there will be a gain on fair value changes of financial assets of not less than HK\$2 million for 2023 Second Interim, which mainly represented the fair value gain on the convertible term loan facilities in the maximum amount of INR1,319.4 million (or approximately HK\$137.3 million) provided by the Group to, and fully utilized by, its 45%-owned joint venture company in India, First Games Technology Private Limited (formerly known as “Paytm First Games Private Limited”), whereas a loss on fair value changes of such financial assets of approximately HK\$39.9 million was recorded for FY2022.

The information contained in this announcement is based only on a preliminary assessment by the Board with reference to the Group’s unaudited consolidated management accounts and information currently available to the Company. This information has not been audited or reviewed by the auditors or the audit committee of the Company.

As the Company is still in the process of finalizing its second interim results for 2023 Second Interim (the “**2023 Second Interim Results**”), the actual results may differ from what is disclosed in this announcement. Further details of the Company’s 2023 Second Interim Results will be provided in the Company’s 2023 Second Interim Results announcement.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, February 2, 2024

\* *For identification purpose only*

*As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. 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 Qun Yao and Mr. Chow Siu Lui as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the HKEXnews website operated by the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its posting and will be published on the website of the Company at [www.agtech.com](http://www.agtech.com).*