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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)

(1) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE ATTAINMENT OF A CONTROLLING STAKE IN ANT BANK (MACAO) THROUGH ACQUISITION OF EXISTING SHARES, AND SUBSCRIPTION FOR NEW SHARES, IN ANT BANK (MACAO); AND DISPOSAL OF A 30% EQUITY INTEREST IN STAR N CLOUD; AND

(2) POSSIBLE CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FRAMEWORK AGREEMENT

References are made to the announcement of the Company dated September 3, 2018 in relation to, among other things, the formation of Ant Bank (Macao) and the entering into of the Call Option Agreement between Star N Cloud and Alipay HK and the announcement of the Company dated August 28, 2019 in relation to, among other things, the increase in share capital in Ant Bank (Macao). As at the date of this announcement, the share capital of Ant Bank (Macao) is MOP400,000,000 (equivalent to approximately HK\$388,360,000) and is held as to 33.4%, 33.3% and 33.3% by Alipay (Macau) Holding, Alipay (Macau) Investment and Star N Cloud (a 30% indirectly owned associated company of the Company), respectively.

Reference is also made to the announcement of the Company dated December 21, 2023 in relation to, among other things, the provision of payment-related technical services and resources by relevant members of the Ant Group to the Group under the 2023 Framework Agreement.

THE ATTAINMENT OF A CONTROLLING STAKE IN ANT BANK (MACAO) THROUGH ACQUISITION OF EXISTING SHARES, AND SUBSCRIPTION FOR NEW SHARES, IN ANT BANK (MACAO)

1. The Share Transfer Agreement and the Capital Increase Agreement

After the Stock Exchange trading hours on February 8, 2024, mFinance (an indirect wholly-owned subsidiary of the Company) entered into (i) the Share Transfer Agreement with Star N Cloud, pursuant to which mFinance has conditionally agreed to acquire and Star N Cloud has conditionally agreed to sell the Sale Shares (representing 33.3% of the issued share capital of Ant Bank (Macao) as at the date of this announcement or approximately 24.2% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase) for a consideration of MOP133,200,000 (equivalent to approximately HK\$129,324,000), with 30% of the consideration under the Share Transfer Agreement (i.e. MOP39,960,000 (equivalent to approximately HK\$38,797,000)) shall be distributed by Star N Cloud to AGTech Macau (an indirect wholly-owned subsidiary of the Company) in proportion to its 30% shareholding in Star N Cloud; and (ii) the Capital Increase Agreement with Ant Bank (Macao), Alipay (Macao) Holding and Alipay (Macao) Investment, pursuant to which mFinance has conditionally agreed to further contribute MOP150,000,000 (equivalent to approximately HK\$145,635,000) to the share capital of Ant Bank (Macao) by subscribing for 1,500,000 common shares (representing approximately 27.3% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase) to be issued by Ant Bank (Macao) at a price of MOP100 (equivalent to approximately HK\$97) each.

2. The Call Option Termination Agreement

After the Stock Exchange trading hours on February 8, 2024, Star N Cloud and Alipay HK entered into the Call Option Termination Agreement, pursuant to which Star N Cloud and Alipay HK agreed to terminate the Call Option Agreement upon the completion of the Capital Increase. Alipay HK also agreed not to exercise the Option pursuant to the Call Option Agreement from the date of the Call Option Termination Agreement to the completion of the Capital Increase or the date on which the Share Transfer Agreement is terminated in accordance with the terms thereunder, whichever is earlier.

3. The Shareholders' Agreement

Upon the Closing, mFinance will enter into the Shareholders' Agreement with Alipay (Macao) Holding, Alipay (Macao) Investment and Ant Bank (Macao), which is expected to contain terms and stipulate shareholder rights customary for transactions of this nature.

Upon the Closing, the Company will indirectly hold approximately 51.5% of the issued share capital of Ant Bank (Macao) through mFinance. Ant Bank (Macao) will become an indirect non-wholly owned subsidiary of the Company and the financial statements of Ant Bank (Macao) will be consolidated into the financial statements of the Group.

DISPOSAL OF A 30% EQUITY INTEREST IN STAR N CLOUD

The Share Transfer Undertaking Agreement

In view of the fact that Star N Cloud will no longer hold any shares in Ant Bank (Macao) following the completion of the Share Transfer and the purpose of the formation of Star N Cloud is for investment in Ant Bank (Macao), the Board resolved to sell the Group's 30% equity interest in Star N Cloud, subject to the completion of the Share Transfer. Accordingly, after the Stock Exchange trading hours on February 8, 2024, AGTech Macau entered into the Share Transfer Undertaking Agreement with Mr. Cheung Felix Vitor, pursuant to which AGTech Macau has conditionally agreed to sell and Mr. Cheung Felix Vitor has conditionally agreed to acquire 30% of the issued share capital of Star N Cloud at the par value of MOP300,000 (equivalent to approximately HK\$291,000) upon the completion of the Share Transfer.

Upon the Closing, the Group will cease to have any interest in Star N Cloud and Star N Cloud will cease to be a 30% indirectly owned associated company of the Company.

POSSIBLE CONTINUING CONNECTED TRANSACTIONS

The Framework Agreement

Ant Bank (Macao) and the Ant Group have been cooperating on different areas, including resources sharing services, remittance and settlement services, technical services, transfer of creditors' rights and related services, deposit services, marketing services and loan services.

The Ant Group (including Ant Technologies) are associates of Alibaba Holding and hence connected persons of the Company under the GEM Listing Rules. As Ant Bank (Macao) will become an indirect non-wholly owned subsidiary of the Company upon the Closing, the aforesaid services between Ant Bank (Macao) and the Ant Group will constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules after the Closing. To ensure that such existing and future business cooperation between Ant Bank (Macao) and the Ant Group will comply with the requirements of the GEM Listing Rules with effect from the Closing, after the Stock Exchange trading hours on February 8, 2024, the Company, Ant Bank (Macao) and Ant Technologies entered into the Framework Agreement to set out the terms and conditions of the future business cooperation and resources sharing between Ant Bank (Macao) and the Ant Group subject to the Closing.

GEM LISTING RULES IMPLICATIONS

1. The Share Transfer Agreement, the Capital Increase Agreement and the Share Transfer Undertaking Agreement

As the highest applicable percentage ratio in relation to the aggregate amount of the Share Transfer and the Capital Increase exceeds 5% but is less than 25%, the Share Transfer and the Capital Increase (when aggregated) constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. As the highest applicable percentage ratio in relation to the Proposed Sale of Star N Cloud is less than 5%, the Proposed Sale of Star N Cloud does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. As the Transaction involves both an acquisition and a disposal, pursuant to Rule 19.24 of the GEM Listing Rules, the Transaction will be classified by reference to the larger of the acquisition and the disposal. Based on the aforesaid, the Transaction constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, Ali Fortune, the controlling shareholder of the Company holding 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital of the Company), is indirectly 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. Ant Bank (Macao) is an indirect 66.7%-owned subsidiary of Ant Holdco and its other 33.3% equity interest is held by Star N Cloud. Each of Alipay (Macao) Holding and Alipay (Macao) Investment is an indirect wholly-owned subsidiary of Ant Holdco. Each of Ant Holdco, Ant Bank (Macao), Alipay (Macao) Holding and Alipay (Macao) Investment is an associate of Alibaba Holding and a connected person of the Company. Accordingly, the Capital Increase constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules, and since the Proposed Sale of Star N Cloud is conditional on the completion of the Share Transfer, which in turn is conditional on the completion of the Capital Increase, the Transaction constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules and will be subject to the announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules as its consideration exceeds HK\$10 million.

2. The Call Option Termination Agreement

As at the date of this announcement, the Company indirectly holds a 30% equity interest in Star N Cloud, and Star N Cloud is not a subsidiary of the Company. Accordingly, the Call Option Termination Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules or a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Details of the Call Option Termination Agreement are disclosed herein for the information of Shareholders only.

3. The Framework Agreement

As the Ant Group are associates of Alibaba Holding and hence connected persons of the Company, the Framework Agreement and the CCTs 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 relation to the highest Shared Services Annual Caps are more than 0.1% but all of them are less than 5%, the Shared Services (including the Shared Services Annual Caps) are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As one or more of the applicable percentage ratios in relation to the highest Technical Services Annual Caps after aggregated with the relevant annual caps in respect of technical services provided by the Ant Group under the 2023 Framework Agreement exceed 5%, the Technical Services (including the Technical Services Annual Caps) are subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

THE SGM

The SGM will be convened and held by the Company to consider, and, if thought fit, approve the resolutions in relation to the Transaction and the Technical Services (including the Technical Services Annual Caps).

The Independent Board Committee has been established to give recommendation to the Independent Shareholders on the terms of the Transaction and the Technical Services (including the Technical Services Annual Caps). Altus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) details of the Share Transfer Agreement; (ii) details of the Capital Increase Agreement; (iii) details of the Share Transfer Undertaking Agreement; (iv) details of the Technical Services under the Framework Agreement and the Technical Services Annual Caps; (v) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transaction and the Technical Services (including the Technical Services Annual Caps); (vi) a letter from the independent financial adviser of the Company, Altus Capital Limited, to advise the Independent Board Committee and the Independent Shareholders in the aforesaid regard; (vii) the notice convening the SGM; and (viii) other information as required under the GEM Listing Rules, is expected to be dispatched to the Shareholders on or before February 27, 2024, as additional time is required for the Company to prepare and finalize the relevant information for inclusion in the circular.

As the Closing is subject to fulfilment or waiver (as the case may be) of the Closing Conditions, the Transaction may or may not proceed. The Framework Agreement shall be effective upon fulfillment of certain conditions including, among other things, the Closing having taken place, and therefore the Framework Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

References are made to the announcement of the Company dated September 3, 2018 in relation to, among other things, the formation of Ant Bank (Macao) and the entering into of the Call Option Agreement between Star N Cloud and Alipay HK and the announcement of the Company dated August 28, 2019 in relation to, among other things, the increase in share capital in Ant Bank (Macao). As at the date of this announcement, the share capital of Ant Bank (Macao) is MOP400,000,000 (equivalent to approximately HK\$388,360,000) and is held as to 33.4%, 33.3% and 33.3% by Alipay (Macau) Holding, Alipay (Macau) Investment and Star N Cloud (a 30% indirectly owned associated company of the Company), respectively.

Reference is also made to the announcement of the Company dated December 21, 2023 in relation to, among other things, the provision of payment-related technical services and resources by relevant members of the Ant Group to the Group under the 2023 Framework Agreement.

I. THE TRANSACTION

A. THE ATTAINMENT OF A CONTROLLING STAKE IN ANT BANK (MACAO) THROUGH ACQUISITION OF EXISTING SHARES, AND SUBSCRIPTION FOR NEW SHARES, IN ANT BANK (MACAO)

After the Stock Exchange trading hours on February 8, 2024, mFinance (an indirect wholly-owned subsidiary of the Company) entered into (i) the Share Transfer Agreement with Star N Cloud, pursuant to which mFinance has conditionally agreed to acquire and Star N Cloud has conditionally agreed to sell the Sale Shares (representing 33.3% of the issued share capital of Ant Bank (Macao) as at the date of this announcement or approximately 24.2% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase) for a consideration of MOP133,200,000 (equivalent to approximately HK\$129,324,000); and (ii) the Capital Increase Agreement with Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment, pursuant to which mFinance has conditionally agreed to further contribute MOP150,000,000 (equivalent to approximately HK\$145,635,000) to the share capital of Ant Bank (Macao) by subscribing for 1,500,000 common shares (representing approximately 27.3% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase) to be issued by Ant Bank (Macao) at a price of MOP100 (equivalent to approximately HK\$97) each.

1. The Share Transfer Agreement

The principal terms of the Share Transfer Agreement are set out below:

Date

February 8, 2024

Parties

- (i) mFinance (the purchaser); and
- (ii) Star N Cloud (the seller).

As at the date of this announcement, (i) Star N Cloud is held as to 70% and 30% by Cosmic Pilot Limited (a company wholly-owned by Mr. Cheung Lup Kwan Vitor) and AGTech Macau (an indirect wholly-owned subsidiary of the Company), respectively; and (ii) Mr. Cheung Lup Kwan Vitor holds 5.01% of the issued share capital of the Company. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Star N Cloud, Cosmic Pilot Limited and Mr. Cheung Lup Kwan Vitor is a third party independent of and not connected with the Company and its connected persons.

Subject matter

Pursuant to the Share Transfer Agreement, mFinance has conditionally agreed to acquire and Star N Cloud has conditionally agreed to sell the Sale Shares (representing 33.3% of the issued share capital of Ant Bank (Macao) as at the date of this announcement or approximately 24.2% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase).

Consideration

The consideration under the Share Transfer Agreement shall be MOP133,200,000 (equivalent to approximately HK\$129,324,000), which shall be paid by mFinance to Star N Cloud on the Closing date. Such consideration was determined after arm's length negotiations between the parties to the Share Transfer Agreement, having taken into account various factors, including (i) the commercial banking licence of Ant Bank (Macao) in Macau; (ii) the rare opportunity for the Group to further increase its effective equity interest in Ant Bank (Macao) from 9.99% to approximately 51.5% and the control premium for attaining such controlling stake; (iii) the anticipated continuous improvement in Macau's economy as a result of the resumption of tourism in Macau; (iv) the various benefits and expected synergies between Ant Bank (Macao) and the Group as discussed in more details in the paragraph headed "E. Reasons for and benefits of the Transaction" below; (v) the valuation of a 100% equity interest in Ant Bank (Macao) as assessed by an independent valuer (the "**Valuer**") at approximately MOP450,000,000 (equivalent to approximately HK\$436,905,000) (before the Capital Increase) and MOP600,000,000 (equivalent to approximately HK\$582,540,000) (after the Capital Increase) as at November 30, 2023 (the "**Valuation**"), which exceed the implied

valuation for a 100% equity interest in Ant Bank (Macao) at MOP400,000,000 (equivalent to approximately HK\$388,360,000) (before the Capital Increase) and MOP550,000,000 (equivalent to approximately HK\$533,995,000) (after the Capital Increase) as represented by the consideration under the Share Transfer Agreement and the consideration under the Capital Increase Agreement, respectively; and (vi) the fact that 30% of the consideration under the Share Transfer Agreement (i.e. MOP39,960,000 (equivalent to approximately HK\$38,797,000)) shall be distributed by Star N Cloud to AGTech Macau (an indirect wholly-owned subsidiary of the Company) in proportion to its 30% shareholding in Star N Cloud.

The Group intends to fund the consideration of MOP133,200,000 (equivalent to approximately HK\$129,324,000) by its internal cash reserves.

Valuation

The Valuation was assessed by the Valuer by adopting the guideline public company method under the market approach. Under the market approach, the guideline public company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. Fair value arrived from the market approach reflects the market expectations over the corresponding industry as the price multiples of the comparable companies were arrived from market consensus. Since there are sufficient public companies in similar nature and business to that of Ant Bank (Macao), their market values are good indicators of the industry of Ant Bank (Macao). Therefore, the market approach has been adopted in the Valuation.

When determining the appropriate valuation multiple to use in the valuation of Ant Bank (Macao), the Valuer considers that the price-to-book (P/B) multiple is the most appropriate valuation multiple for such valuation under the guideline public company method. This is because P/B multiple is one of the most commonly used valuation multiples for capital-intensive business such as financial institutions and intermediary service firms. It relates the fair value of a company's equity value to its net asset and the scale of capital is the key value and profit driver for financial institutions such as Ant Bank (Macao).

Under the Valuation, the Valuer assessed the value of a 100% equity interest in Ant Bank (Macao) based on its net asset value as at September 30, 2023 (being the cut-off date for the latest available management accounts of Ant Bank (Macao) at the time of preparing the Valuation for the purpose of the parties' negotiations of the terms of the Share Transfer and the Capital Increase), multiplied by the median P/B multiple (after adjustments for control premium and lack of marketability discount) of nine comparable companies identified by the Valuer as at November 30, 2023 based on the following principal selection criteria:

- (i) being engaged in the banking industry under Global Industry Classification Standard, as extracted from S&P Capital IQ, similar to Ant Bank (Macao);

- (ii) being listed on major stock exchanges, including but not limited to New York Stock Exchange, Nasdaq, Tokyo Stock Exchange or Korea Stock Exchange;
- (iii) having business model similar to Ant Bank (Macao), i.e. developing and providing digital banking services with no or limited physical branch network; and
- (iv) the financial information of the companies is available to the public.

The valuation report of Ant Bank (Macao) setting out details of the Valuation and the rationale of the valuation methodology adopted by the Valuer will be included in the circular in relation to the Transaction to be dispatched to the Shareholders.

Having considered the above, the Directors concur with the valuation methodology and multiple adopted and the comparable companies selected by the Valuer, and are of the view that the Valuation is fair and reasonable.

Conditions precedent

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

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

- (v) an amended and restated memorandum and articles of association of Ant Bank (Macao) having been adopted by Ant Bank (Macao) and approved by mFinance and the AMCM;
- (vi) the Capital Increase Agreement having been entered into among mFinance, Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment and the Capital Increase having been completed;
- (vii) the Shareholders' Agreement having been entered into among mFinance, Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment;
- (viii) the Framework Agreement having been entered into among the Company, Ant Bank (Macao) and Ant Technologies and the Framework Agreement (including the Annual Caps) having been approved by the Board and/or the Independent Shareholders (as the case may be);
- (ix) the Call Option Agreement having been terminated; and
- (x) mFinance having conducted due diligence on Ant Bank (Macao) and having been satisfied with the results.

2. The Capital Increase Agreement

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

Date

February 8, 2024

Parties

- (i) mFinance (subscriber);
- (ii) Ant Bank (Macao) (issuer);
- (iii) Alipay (Macau) Holding (an existing shareholder of Ant Bank (Macao)); and
- (iv) Alipay (Macau) Investment (an existing shareholder of Ant Bank (Macao)).

Subject matter

Pursuant to the Capital Increase Agreement, mFinance has conditionally agreed to subscribe for, and Ant Bank (Macao) has conditionally agreed to issue, 1,500,000 common shares of Ant Bank (Macao) (representing approximately 27.3% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase) at a price of MOP100 (equivalent to approximately HK\$97) each.

Consideration

The consideration under the Capital Increase Agreement shall be MOP150,000,000 (equivalent to approximately HK\$145,635,000), which shall be paid by mFinance to Ant Bank (Macao) on the Closing date. The consideration under the Capital Increase Agreement was determined after arm's length negotiation among the parties to the Capital Increase Agreement, having taken into account various factors, including (i) the rare opportunity for the Group to further increase its effective equity interest in Ant Bank (Macao) to approximately 51.5% and the control premium for attaining such controlling stake; (ii) the anticipated continuous improvement in Macau's economy as a result of the resumption of tourism in Macau; (iii) the various benefits and expected synergies between Ant Bank (Macao) and the Group as discussed in more details in the paragraph headed "E. Reasons for and benefits of the Transaction" below; and (iv) the Valuation for a 100% equity interest in Ant Bank (Macao) at approximately MOP600,000,000 (equivalent to approximately HK\$582,540,000) (after the Capital Increase), which exceeds the implied valuation for a 100% equity interest in Ant Bank (Macao) at MOP550,000,000 (equivalent to approximately HK\$533,995,000) (after the Capital Increase) as represented by the consideration under the Capital Increase Agreement.

The Group intends to fund the consideration of MOP150,000,000 (equivalent to approximately HK\$145,635,000) by its internal cash reserves.

Conditions precedent

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

- (i) as at the execution date of the Capital Increase Agreement and as at the Closing date, the representations and warranties made by the parties under such agreement are true, accurate and not misleading in all respects and/or in all material respects (as the case may be);
- (ii) the parties to the Capital Increase Agreement having obtained the necessary internal authorizations in compliance with applicable laws (including the GEM Listing Rules) or their companies' articles of association, including the board and/or shareholders' approval of the execution of the Capital Increase Agreement or the conduct of the Capital Increase;
- (iii) all approvals, no objection letters, permits, registration or filing mandatorily required to be obtained for the Capital Increase having been obtained from the relevant authorities (including but not limited to the AMCM and the Stock Exchange) and such approvals, no objection letters, permits, registration or filing not having been revoked or withdrawn;

- (iv) there being no applicable laws, judgments, awards, rulings or injunctions of courts, arbitration institutions or relevant government authorities that restrict or prohibit the Capital Increase, nor are there any litigations, arbitrations, judgments, awards, rulings or injunctions that have or may have a material adverse impact on the Capital Increase, and the execution, delivery, performance of the Capital Increase Agreement and the transactions thereunder not violating any applicable law;
- (v) an amended and restated memorandum and articles of association of Ant Bank (Macao) having been adopted by Ant Bank (Macao) and approved by mFinance and the AMCM;
- (vi) the Share Transfer Agreement having been entered into between mFinance and Star N Cloud and the Share Transfer having been completed;
- (vii) the Shareholders' Agreement having been entered into among mFinance, Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment;
- (viii) the Framework Agreement having been entered into among the Company, Ant Bank (Macao) and Ant Technologies and the Framework Agreement (including the Annual Caps) having been approved by the Board and/or the Independent Shareholders (as the case may be);
- (ix) mFinance having been satisfied with Ant Bank (Macao)'s annual budget for the period from the date of execution of the Capital Increase Agreement to the 12 months after the Closing date;
- (x) mFinance having been satisfied with Ant Bank (Macao)'s working capital forecast for the period from the date of execution of the Capital Increase Agreement to the 24 months after the Closing date; and
- (xi) there being no material adverse change on Ant Bank (Macao) until the Closing.

Composition of the board of directors of Ant Bank (Macao)

The board of directors of Ant Bank (Macao) comprises five members, among which, three will be nominated by mFinance and two will be nominated by Alipay (Macau) Holding and/or Alipay (Macau) Investment. The chairman of Ant Bank (Macao) will be a director nominated by mFinance.

Composition of the supervisory committee of Ant Bank (Macao)

The supervisory committee of Ant Bank (Macao) comprises three members, among which, each of mFinance and Alipay (Macau) Holding and/or Alipay (Macau) Investment will nominate one member, and the remaining one will be a certified public accountant or certified accountant firm.

Board reserved matters

Certain significant matters that are beyond the coverage of the annual budget, or over certain amount and not in the ordinary course of business, including but not limited to (i) purchase or disposal of entities or businesses or engaging in a merger, consolidation, material acquisition, or material investment in any entity, creation of a joint venture or similar arrangement with any third party, (ii) creation or the authorization of the creation of any debt, (iii) provision of any loans or advancement, (iv) creation, transfer or redemption of any mortgage or other encumbrances, (v) commencement, termination or settlement of any dispute, litigation or arbitration, and (vi) acquisition of any material asset or asset that will result in a material adverse impact on the business of Ant Bank (Macao), shall be approved by at least one director nominated by each of mFinance and Alipay (Macau) Holding and/or Alipay (Macau) Investment.

Shareholders reserved matters

Certain matters, including but not limited to (i) issuance of equity securities or other equity convertible securities, (ii) redemption of equity securities, (iii) liquidation, dissolution or winding-up, (iv) amendment or termination of any agreements that may affect the shareholding structure, (v) amendment or approval of any share schemes, and (vi) selection of underwriters or listing exchanges for any initial public offering, shall be approved by at least three-fourths of the total voting rights of shareholders.

Pre-emptive rights

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

Right of first refusal

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

Tag-along right

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

Anti-dilution right

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

3. The Call Option Termination Agreement

In connection with the formation of Ant Bank (Macao), Star N Cloud and Alipay HK entered into the Call Option Agreement on September 3, 2018, pursuant to which Star N Cloud granted Alipay HK the Option to acquire from Star N Cloud the Option Shares at any time commencing on the second anniversary of the formation of Ant Bank (Macao). The exercise price of the Option will be equal to the fair market value of the Option Shares at the time of exercise of the Option. Assuming the Option is exercised by Alipay HK, Star N Cloud will dispose of its 8.3% of the issued share capital of Ant Bank (Macao) and will hold effectively 25% of the issued share capital of Ant Bank (Macao). As at the date of this announcement, Alipay HK has not exercised the Option pursuant to the Call Option Agreement.

After the Stock Exchange trading hours on February 8, 2024, Star N Cloud and Alipay HK entered into the Call Option Termination Agreement, pursuant to which Star N Cloud and Alipay HK agreed to terminate the Call Option Agreement upon the completion of the Capital Increase. Alipay HK also agreed not to exercise the Option pursuant to the Call Option Agreement from the date of the Call Option Termination Agreement to the completion of the Capital Increase or the date on which the Share Transfer Agreement is terminated in accordance with the terms thereunder, whichever is earlier.

4. The Shareholders' Agreement

Upon the Closing, mFinance will enter into the Shareholders' Agreement with Alipay (Macau) Holding, Alipay (Macau) Investment and Ant Bank (Macao), which is expected to contain terms and stipulate shareholder rights customary for transactions of this nature. The detailed terms of the Shareholders' Agreement have yet to be finalized before the Closing, but it is expected to contain key corporate governance and shareholders' rights terms as outlined in the paragraphs headed "Composition of the board of directors of Ant Bank (Macao)", "Composition of the supervisory committee of Ant Bank (Macao)", "Board reserved matters", "Shareholders reserved matters", "Pre-emptive rights", "Right of first refusal", "Tag-along right" and "Anti-dilution right" above in this announcement.

B. DISPOSAL OF A 30% EQUITY INTEREST IN STAR N CLOUD

The Share Transfer Undertaking Agreement

After the Stock Exchange trading hours on February 8, 2024, AGTech Macau entered into the Share Transfer Undertaking Agreement with Mr. Cheung Felix Vitor. Details are as follows:

Date

February 8, 2024

Parties

- (i) AGTech Macau (the seller); and
- (ii) Mr. Cheung Felix Vitor (the purchaser).

Mr. Cheung Felix Vitor is the son of Mr. Cheung Lup Kwan Vitor, who is the owner of Cosmic Pilot Limited which holds a 70% equity interest in Star N Cloud. As at the date of this announcement, save as disclosed above and being the purchaser under the Share Transfer Undertaking Agreement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Cheung Felix Vitor is a third party independent of and not connected with the Company and its connected persons.

Subject matter

Pursuant to the Share Transfer Undertaking Agreement, AGTech Macau has conditionally agreed to sell and Mr. Cheung Felix Vitor has conditionally agreed to acquire 30% of the issued share capital of Star N Cloud at the par value of MOP300,000 (equivalent to approximately HK\$291,000) upon the completion of the Share Transfer.

Consideration

The consideration under the Share Transfer Undertaking Agreement shall be MOP300,000 (equivalent to approximately HK\$291,000), which shall be paid by Mr. Cheung Felix Vitor to AGTech Macau on the date of the entering into the equity transfer document between AGTech Macau and Mr. Cheung Felix Vitor in relation to the sale of 30% equity interest in Star N Cloud by AGTech Macau to Mr. Cheung Felix Vitor. The consideration of MOP300,000 was determined after arm's length negotiations between the parties to the Share Transfer Undertaking Agreement, having taken into account the fact that the unaudited net liabilities of Star N Cloud as at December 31, 2023 (based on its latest available management accounts) was approximately MOP807,140 (equivalent to approximately HK\$783,652).

It is expected that the Group will record a net gain of approximately MOP300,000 (equivalent to approximately HK\$291,000) as a result of the Proposed Sale of Star N Cloud, which is arrived at after taking into account the difference between the consideration under the Share Transfer Undertaking Agreement and the Group's unaudited carrying amount of the investment in Star N Cloud. The Group intends to apply the proceeds from the Proposed Sale of Star N Cloud as general working capital.

Conditions precedent

The completion of the Proposed Sale of Star N Cloud is conditional upon (i) the completion of the Share Transfer, and (ii) Star N Cloud having repaid the shareholder’s loan of MOP39,960,000 (equivalent to approximately HK\$38,797,000) to AGTech Management Limited (being a subsidiary of the Company and a nominee for AGTech Macau to receive the repaid amount).

C. THE CLOSING

The Closing shall take place on or before the tenth business days after the Closing Conditions having been fulfilled or waived.

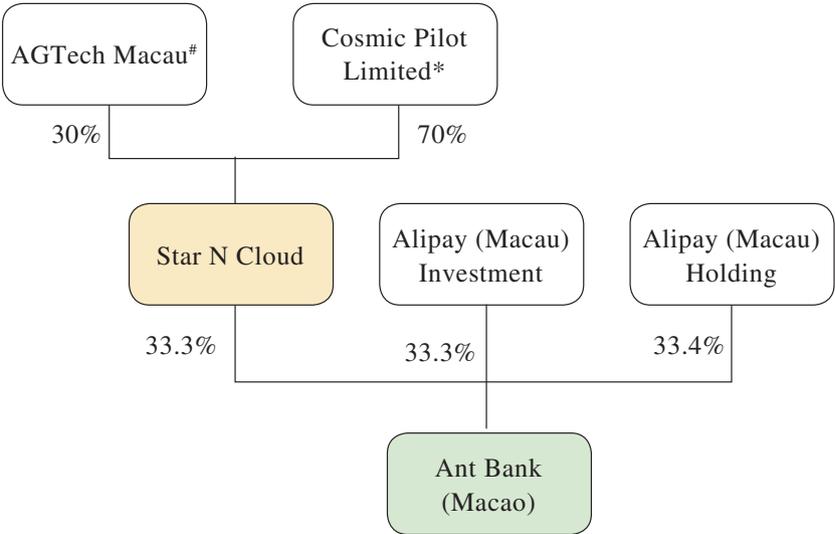
Upon the Closing, the Company will indirectly hold approximately 51.5% of the issued share capital of Ant Bank (Macao) through mFinance. Ant Bank (Macao) will become an indirect non-wholly owned subsidiary of the Company and the financial statements of Ant Bank (Macao) will be consolidated into the financial statements of the Group. The Group will cease to have any interest in Star N Cloud and Star N Cloud will cease to be a 30% indirectly owned associated company of the Company upon the Closing.

D. INFORMATION ON ANT BANK (MACAO) AND STAR N CLOUD

1. Shareholding Structures of Ant Bank (Macao) and Star N Cloud

Set out below are the shareholding structures of Ant Bank (Macao) and Star N Cloud as at the date of this announcement and immediately after the Closing:

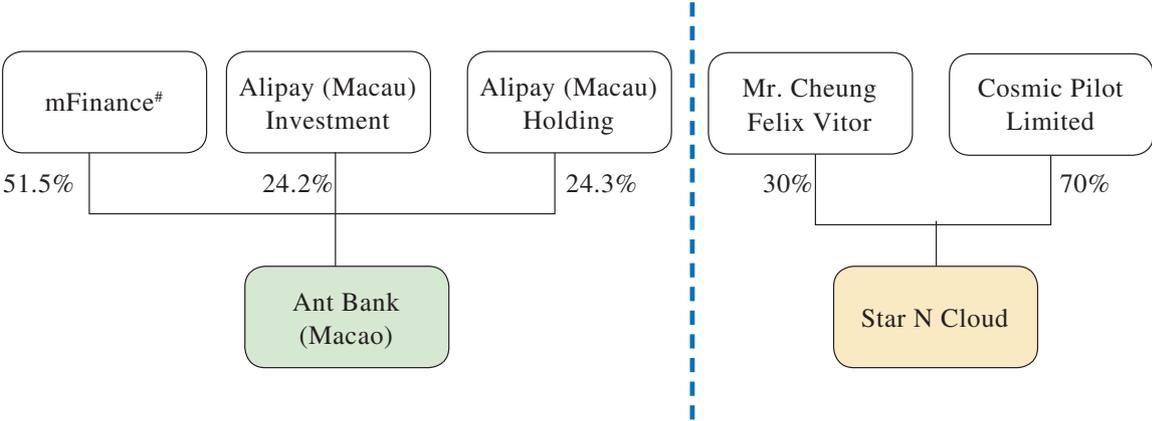
(i) As at the date of this announcement:



being an indirect wholly-owned subsidiary of the Company

* being a company wholly-owned by Mr. Cheung Lup Kwan Vitor

(ii) Immediately after the Closing:



being an indirect wholly-owned subsidiary of the Company

2. Information on Ant Bank (Macao)

Business

Ant Bank (Macao) is a company incorporated under the laws of Macau with limited liability. As at the date of this announcement, its issued share capital is MOP400,000,000 (equivalent to approximately HK\$388,360,000) and it currently operates the following principal lines of digital banking business:

- mobile payment services via the “Alipay (Macao)” e-wallet;
- financial banking services such as deposits and loans, targeting primarily residents and small and medium-sized enterprises (“SMEs”) of Macau. Ant Bank (Macao) focuses on inclusive financial services to provide credit loan services to Macau SMEs engaged in the retailing, catering and department stores sectors; and
- cross-border remittance services: the “Alipay (Macao)” e-wallet was the first e-wallet in Macau to provide cross-border remittance services to the Chinese Mainland. Users of such e-wallet can remit funds to bank cards linked to their Alipay accounts in the Chinese Mainland subject to a daily maximum limit, and enjoy real-time settlement and preferential exchange rates. In addition, Ant Bank (Macao)’s cross-border remittance services for enterprises are able to reach more than 30 countries or regions such as Singapore, Europe and Hong Kong, and be denominated in different currencies including United States dollars, Hong Kong dollars and Euros.

License and approval

As advised by the legal advisers of the Company as to Macau law, Ant Bank (Macao) has obtained the license required for operating as a commercial bank under the AMCM for carrying out its principal business. The license has no expiration date and the change in control of Ant Bank (Macao) resulting from the Share Transfer and the Capital Increase will not render the license invalid. Nevertheless, the prior approval from the AMCM for change in control or ownership of Ant Bank (Macao) as a result of the Share Transfer and the Capital Increase is required and is one of the Closing Conditions.

Financial Information

Set out below is the financial information of Ant Bank (Macao) for the two years ended December 31, 2021 and 2022 and for the nine months ended September 30, 2023 prepared in accordance with Macau Generally Accepted Accounting Principles (the “**Macau GAAP**”). There is no material difference between the Macau GAAP and the Hong Kong Financial Reporting Standards in respect of the figures below.

	For the year ended December 31, 2021		For the year ended December 31, 2022		For the nine months ended September 30, 2023	
	(audited)		(audited)		(unaudited)	
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>MOP</i>	<i>HK\$</i>	<i>MOP</i>	<i>HK\$</i>	<i>MOP</i>	<i>HK\$</i>
Net loss before tax	41,618,056	40,406,971	37,002,672	35,925,894	27,665,992	26,860,912
Net loss after tax	41,618,056	40,406,971	37,002,672	35,925,894	27,665,992	26,860,912

The unaudited net asset of Ant Bank (Macao) as at September 30, 2023 (based on its unaudited management accounts of Ant Bank (Macao) for the nine months ended September 30, 2023) was MOP234,948,882 (equivalent to approximately HK\$228,111,870).

3. Information on Star N Cloud

Star N Cloud is a company incorporated under the laws of Macau with limited liability. It is an investment holding vehicle with no other business activities. The material asset of Star N Cloud is its equity interests in Ant Bank (Macao). As at the date of this announcement, the issued share capital of Star N Cloud is MOP1 million (equivalent to approximately HK\$0.97 million).

Financial information

Set out below is the financial information of Star N Cloud for the two years ended December 31, 2021 and 2022 prepared in accordance with the Macau GAAP. There is no material difference between the Macau GAAP and the Hong Kong Financial Reporting Standards in respect of the figures below.

	For the year ended December 31, 2022 (unaudited)		For the year ended December 31, 2023 (unaudited)	
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>MOP</i>	<i>HK\$</i>	<i>MOP</i>	<i>HK\$</i>
Net (loss)/profit before tax	(5,952,761)	(5,779,536)	17,853,979	17,334,428
Net (loss)/profit after tax	(5,952,761)	(5,779,536)	17,693,515	17,178,634

The unaudited net liabilities of Star N Cloud as at December 31, 2023 was MOP807,140 (equivalent to approximately HK\$783,652).

E. REASONS FOR AND BENEFITS OF THE TRANSACTION

In relation to the Share Transfer and the Capital Increase:

The Group already holds an indirect effective equity interest of 9.99% in Ant Bank (Macao) through Star N Cloud, and two of the Directors (i.e. Mr. Sun Ho and Mr. Ji Gang) are also directors of Ant Bank (Macao). The Share Transfer and the Capital Increase provide a rare opportunity for the Group to further invest and attain a controlling stake of approximately 51.5% in Ant Bank (Macao) following the Closing.

The Group believes that the Share Transfer and the Capital Increase are in line with the Group's business strategy of supporting the digital transformation of financial services in Macau and the Greater Bay Area by strengthening infrastructure and platforms, so as to becoming a modern fintech and innovation group in Macau and the Greater Bay Area in the PRC. The Share Transfer and the Capital Increase will facilitate (i) the synergy between the electronic payment business of the Group in Macau with the digital banking businesses (e.g. deposits, credit loans and cross-border remittance) of Ant Bank (Macao) to connect scenarios and resources of the ecosystem with payment plus inclusive finance to meet the consumption and financing needs of Macau residents and small and medium-sized merchants; and (ii) synergy with different business units of the Group such as lifestyle, cultural and entertainment and e-commerce businesses with the resources of the ecosystems of the Alibaba Group and the Ant Group. By combining the unique leisure and tourism advantages of Macau to create featured cross-border financial services and attract more cross-border tourists (who are eligible to receive such services) to visit Macau, the Group can provide more comprehensive services to customers including Macau residents and tourists from all over the world, so as to support Macau's economic recovery and growth, and at the same time further diversifying and expanding the revenue sources of the Group.

With the completion of the Share Transfer and the Capital Increase, the business scope of the Group will expand from digital payment services and digital local consumer services to digital financial services.

In relation to the Proposed Sale of Star N Cloud:

As Star N Cloud will no longer hold any shares in Ant Bank (Macao) following completion of the Share Transfer and the purpose of the formation of Star N Cloud is for investment in Ant Bank (Macao), the Board resolved to sell the Group's 30% equity interest in Star N Cloud, subject to the completion of the Share Transfer.

In view of the above, all Directors (excluding the independent non-executive Directors whose view will be provided after considering the advice and recommendation of the independent financial adviser of the Company) are of the view that the terms of the Transaction are fair and reasonable, and the Transaction is 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.

II. POSSIBLE CONTINUING CONNECTED TRANSACTIONS

A. THE FRAMEWORK AGREEMENT

Ant Bank (Macao) and the Ant Group have been cooperating on different areas, including resources sharing services, remittance and settlement services, technical services, transfer of creditors' rights and related services, deposit services, marketing services and loan services.

As at the date of this announcement, Ali Fortune, the controlling shareholder of the Company holding 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital of the Company), is indirectly 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. The Ant Group (including Ant Technologies) are associates of Alibaba Holding and hence connected persons of the Company under the GEM Listing Rules. As Ant Bank (Macao) will become an indirect non-wholly owned subsidiary of the Company upon the Closing, the aforesaid services between Ant Bank (Macao) and the Ant Group will constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules after the Closing. To ensure that such existing and future business cooperation between Ant Bank (Macao) and the Ant Group will comply with the requirements of the GEM Listing Rules with effect from the Closing, after the Stock Exchange trading hours on February 8, 2024, the Company, Ant Bank (Macao) and Ant Technologies entered into the Framework Agreement to set out the terms and conditions of the future business cooperation and resources sharing between Ant Bank (Macao) and the Ant Group subject to the Closing. The principal terms of the Framework Agreement are set out below:

Date

February 8, 2024

Parties

- (i) the Company (for itself and on behalf of its subsidiaries);
- (ii) Ant Bank (Macao); and
- (iii) Ant Technologies (for itself and on behalf of the direct or indirect subsidiaries and affiliated companies of Ant Holdco).

Services

Services to be provided by the Ant Group to Ant Bank (Macao)

Subject to the approval of the relevant regulatory authorities (if required), the Ant Group agreed to provide the following services to Ant Bank (Macao):

- (i) resources sharing services: the Ant Group agreed to provide Ant Bank (Macao) with a number of talent sharing/services, including (a) customer service support services, (b) products and operational support services, mid-office system operational and maintenance services, internet information and information related services, (c) legal and corporate secretarial, finance, administrative and product safety related support services, (d) human resources and personnel transfer related arrangements and reimbursements, (e) business intelligence support services, (f) user experience design support services and (g) offline open data processing services (collectively, the “**Shared Services**”);
- (ii) remittance and settlement services: the Ant Group agreed to provide Ant Bank (Macao) with remittance settlement services and related foreign exchange settlement services (collectively, the “**Settlement Services**”). The proposed annual caps of the service fees in relation to the Settlement Services payable by Ant Bank (Macao) to the Ant Group during the term of the Framework Agreement are less than HK\$3 million and below the de minimis threshold, and are exempt from independent shareholders’ approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules. Details of the Settlement Services are disclosed herein for the information of Shareholders only;
- (iii) technical services: the Ant Group agreed to provide Ant Bank (Macao) with technical services and resources in relation to payment and financial and e-banking, including the supply of technical infrastructure and hardware and software resources and other technical services and support required by Ant Bank (Macao) for its business needs and operation (collectively, the “**Technical Services**”); and
- (iv) transfer of creditors’ rights and related services: the Ant Group has the right (but is not obligated) to sell, transfer, assign and dispose of the creditor’s rights held by Ant Group to Ant Bank (Macao) from time to time. Such creditor’s rights represent loans provided by the Ant Group to third-party borrowers and Ant Bank (Macao) will purchase or receive the creditor’s rights. After Ant Bank (Macao) purchases or receives the creditor’s rights, Ant Group will provide services to Ant Bank (Macao) in relation to such creditor’s rights, including but not limited to supervision and risk control services (collectively, the “**Creditors’ Rights Transfer Services**”). The proposed annual caps of each of the consideration and service fees payable by Ant Bank (Macao) to the Ant Group are less than HK\$3 million and below the de minimis threshold, and are exempt from independent shareholders’ approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules. Details of the Creditors’ Rights Transfer Services are disclosed herein for the information of Shareholders only.

Services to be provided by Ant Bank (Macao) to the Ant Group

Subject to the approval of the relevant regulatory authorities (if required), Ant Bank (Macao) agreed to provide the following services to the Ant Group:

- (i) deposit services: provided that there is no violation of the existing laws and regulations in Macau and/or the relevant regions as well as the guidelines and/or restrictions formulated and/or imposed by the competent authorities (particularly, the AMCM) and other regulatory entities, if applicable, Ant Bank (Macao) agreed to provide the Ant Group with deposit services, including but not limited to demand deposits and time deposits as well as corporate deposits products approved by the competent authorities. Specifically, when members of the Ant Group deposit funds into one or more bank accounts they maintained with Ant Bank (Macao), Ant Bank (Macao) will then pay interest to the members of the Ant Group on such deposits (collectively, the “**Deposit Services**”). As the Deposit Services constitute financial assistance provided by connected persons (i.e. the Ant Group) for the benefits of the Group and the Deposit Services will be conducted on normal commercial terms and not be secured by any assets of the Group, pursuant to Rule 20.88 of Chapter 20 of the GEM Listing Rules, the Deposit Services shall be exempted from independent shareholders’ approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules. Details of the Deposit Services are disclosed herein for the information of Shareholders only;
- (ii) marketing services: Ant Bank (Macao) agreed to provide the Ant Group with market promotion and marketing related services, including advertising, branding, marketing, rewards programs and promotion-related services (collectively, the “**Marketing Services**”). The proposed annual caps of the service fees in relation to the Marketing Services payable by the Ant Group to Ant Bank (Macao) during the term of the Framework Agreement are less than HK\$3 million and below the de minimis threshold, and are exempt from independent shareholders’ approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules. Details of the Marketing Services are disclosed herein for the information of Shareholders only; and
- (iii) loan services: Ant Bank (Macao) agreed to provide loans to the Ant Group for potential cooperation opportunities between both parties and the financing needs of the Ant Group (collectively, the “**Loan Services**”). As Ant Bank (Macao) is a licensed commercial bank under the AMCM and the Loan Services will be conducted in its ordinary and usual course of business and on normal commercial terms with interests bearing at prevailing loan interest rate(s) applicable to other third-party customers of Ant Bank (Macao) who are independent of the Company and its connected persons, pursuant to Rule 20.85(1) of the GEM Listing Rules, the Loan Services shall be exempted from independent shareholders’ approval, annual review and all disclosure requirements under Chapter 20 of the GEM Listing Rules. Details of the Loan Services are disclosed herein for the information of Shareholders only.

Term and conditions precedent

Subject to the fulfilment of the conditions precedent under the Framework Agreement as set out below, the term of the Framework Agreement shall commence on the Effective Date and end on March 31, 2026:

- (i) the approval of the Board and/or the Independent Shareholders at the SGM by way of poll (as the case may be) in relation to the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) in accordance with the GEM Listing Rules having been obtained;
- (ii) all requirements as may be imposed by the relevant regulatory authorities (including the Stock Exchange) in relation to the Framework Agreement and the transactions contemplated thereunder, if any, having been complied with by all the parties, and all authorizations, approvals and permits necessary for the performance of its respective obligations under the Framework Agreement and the transactions contemplated thereunder in accordance with all applicable legal and regulatory requirements (including the GEM Listing Rules) having been obtained;
- (iii) the Framework Agreement having been signed and stamped with the official seals (if applicable) by all parties to the Framework Agreement; and
- (iv) Ant Bank (Macao) having become an indirect non-wholly owned subsidiary of the Company.

Pricing policy

As a general principle, the pricing and other terms under the Framework Agreement and the Specific Execution Agreements 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.

For services to be provided by the Ant Group to Ant Bank (Macao):

The terms to be offered by the Ant Group to Ant Bank (Macao) shall be in line with and not less favorable than those offered to other third parties independent of the Ant Group; or where there is no comparable scale or type of transactions conducted by the Ant Group with such independent third parties, the terms offered by Ant Bank (Macao) to the Ant Group should be in line with and not more favorable than those offered by Ant Bank (Macao) to other independent third parties. In particular, the service fees charged by the Ant Group to Ant Bank (Macao) shall be within the normal range of service fees payable by other independent third parties for the same or similar services offered by the Ant Group; or where there is no comparable scale or type of services provided by the Ant Group to such independent third parties, the service fees charged by the Ant Group to Ant Bank (Macao) shall be within the normal range of service fees payable by Ant Bank (Macao) to other independent third party service providers.

For services to be provided by Ant Bank (Macao) to the Ant Group:

The terms to be offered by Ant Bank (Macao) to the Ant Group shall be in line with and not more favorable than those offered to other third parties independent of the Company and its connected persons; or where there is no comparable scale or type of transactions conducted by Ant Bank (Macao) with such independent third parties, the terms offered by the Ant Group to Ant Bank (Macao) should be in line with and not less favorable than those offered by the Ant Group to other independent third parties. In particular, the service fees charged by Ant Bank (Macao) to the Ant Group shall be within the normal range of service fees payable by other independent third parties for the same or similar services offered by Ant Bank (Macao); or where there is no comparable scale or type of services provided by Ant Bank (Macao) to such independent third parties, the service fees charged by Ant Bank (Macao) to the Ant Group shall be within the normal range of service fees payable by the Ant Group to other independent third party service providers.

Services to be provided by the Ant Group to Ant Bank (Macao)

- (i) The Shared Services: the pricing basis of the service fees for the Shared Services is set out below:

Description of the Shared Services	Basis of fee calculation
(a) customer service support services	service fees to be calculated on a Cost-plus Basis
(b) products and operational support services, mid-office system operational and maintenance services, internet information and information related services	service fees to be calculated on a Cost-plus Basis
(c) legal and corporate secretarial, finance, administrative and product safety related support services	service fees to be calculated at cost
(d) human resources and personnel transfer related arrangements and reimbursements	service fees to be calculated at cost
(e) business intelligence support services	service fees to be calculated on a Cost-plus Basis
(f) user experience design support services	service fees to be calculated on a Cost-plus Basis
(g) offline open data processing services	service fees to be calculated on a Cost-plus Basis

“Cost-plus Basis” means the fees for the relevant Shared Services shall be calculated based on the actual costs for the provision of such services plus certain margin which shall be calculated by an independent professional institution (one of the four largest international professional accounting firms) as designated by the Ant Group with reference to the applicable tax laws and regulations, comparable transactional information, and in accordance with the principles of arm’s length transactions.

In view of the fact that the final margin percentage shall be proposed by an independent professional institution as designated by the Ant Group (which shall be an international accounting firm) on a fair and reasonable basis, the Company considers that such pricing basis for the Shared Services is fair and reasonable.

- (ii) **The Technical Services:** the service fees for the Technical Services shall be calculated based on a Cost-plus Basis, or based on the specific fees and fee plan charged by the Ant Group or its service providers to the public (including independent third party customers) on their official websites. The pricing of the payment, financial and e-banking related Technical Services newly launched by the Ant Group will make reference to the pricing policy of existing similar services, with discounts offered by the Ant Group according to the estimated total volume of services to be purchased by Ant Bank (Macao) (e.g. a deeper discount for the total service fees for the aforesaid Technical Services may be given by the Ant Group when the volume of services purchased by Ant Bank (Macao) increases). The relevant costs and expenses are subject to confirmation by both Ant Group and Ant Bank (Macao) and were determined with reference to the relevant tax regulations, comparable transactional information, and in accordance with the principles of arm’s length transactions.

“Cost-plus Basis” means the fees for the relevant Technical Services shall be calculated based on the actual costs for the provision of such services plus certain margin (which is expected to be primarily within the range of 5% to 11%, with the possibility that the margin shall be even lower than 5% for some sundry Technical Services that may be demanded by Ant Bank (Macao) in the future) which shall be calculated by an independent professional institution (one of the four largest international professional accounting firms) as designated by the Ant Group with reference to the applicable tax laws and regulations, comparable transactional information, and in accordance with the principles of arm’s length transactions.

In view of the fact that the aforesaid margin is expected to be primarily within a modest range of 5% to 11% or even lower than 5% for some sundry Technical Services, and the final margin percentage shall be proposed by an independent professional institution as designated by the Ant Group (which shall be an international accounting firm) on a fair and reasonable basis, the Company considers that such pricing basis for the Technical Services is fair and reasonable.

Payment term

All of the service fees chargeable under the Framework Agreement shall be settled pursuant to the payment terms set out in the Specific Execution Agreements to be entered into between the parties thereto, which shall be within a few working days from the date of transactions or on a monthly basis (as the case may be).

Specific Execution Agreements

Pursuant to the Framework Agreement, Ant Technologies may from time to time enter into or procure the Ant Group members to enter into Specific Execution Agreements with Ant Bank (Macao) for the provision of the services specified in the Framework Agreement to each other. Those Specific Execution Agreements will set out detailed terms of the transactions (including but not limited to the details of business cooperation, scope of services, service fees and payment terms) in accordance with the general terms agreed in the Framework Agreement.

B. REASONS FOR AND BENEFITS OF THE FRAMEWORK AGREEMENT

Ant Bank (Macao) and the Ant Group have been cooperating on different areas, including resources sharing services, remittance and settlement services, technical services, transfer of creditors' rights and related services, deposit services, marketing services and loan services. In order to maintain such cooperation and ensure that it will comply with the requirements of the GEM Listing Rules with effect from the Closing, the Framework Agreement was entered into by the Company, Ant Bank (Macao) and Ant Technologies. The Board considers that the Framework Agreement and the transactions contemplated thereunder will foster closer cooperation between the Group (in particular, Ant Bank (Macao)) and the Ant Group in relation to the Group's business in Macau, thereby enhancing the source of revenue of the Group.

In view of the above, in respect of all the CCTs (excluding the Technical Services), all Directors are of the view that, the terms of the Framework Agreement and their corresponding Annual Caps are fair and reasonable, and such CCTs 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. In respect of the Technical Services, all Directors (excluding the independent non-executive Directors whose view will be provided after considering the advice and recommendation of the independent financial adviser of the Company) are of the view that, the terms of the Technical Services (including the Technical Services Annual Caps) are fair and reasonable, and the Technical Services 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.

C. HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

1. Historical Transaction Amounts

Services to be provided by the Ant Group to Ant Bank (Macao)

(i) The Shared Services

The historical transaction amounts of the service fees for the Shared Services paid by Ant Bank (Macao) to the Ant Group for the past two years ended December 31, 2023 were HK\$5,153,000 and HK\$6,450,000, respectively. Included in the aforesaid historical transaction amount of HK\$6,450,000 for the year ended December 31, 2023 was staff cost for product support services (the “**New Service Fee**”) which was charged by the Ant Group to Ant Bank (Macao) starting from October 2023. With the New Service Fee being normalized for the year ending December 31, 2024 and afterwards, it is expected that the total service fees for the Shared Services will be increased during the term of the Framework Agreement.

(ii) The Technical Services

The historical transaction amounts of the service fees for the Technical Services paid by Ant Bank (Macao) to the Ant Group for the past two years ended December 31, 2023 were HK\$18,403,000 and HK\$34,648,000, respectively. The increase in service fees for the Technical Services in 2023 over 2022 was mainly due to the fact that additional Technical Services were required by Ant Bank (Macao) in relation to the research and development (“**R&D**”) of new products (including the Faster Payment System, credit loan services for individuals and a securities trading system), and the R&D and testing costs for a cloud computing project that were allocated by the Ant Group to Ant Bank (Macao) since 2023.

2. Annual Caps

Services to be provided by the Ant Group to Ant Bank (Macao)

(i) The Shared Services

The annual caps (the “**Shared Services Annual Caps**”) of the service fees for the Shared Services payable by Ant Bank (Macao) to the Ant Group under the Framework Agreement for the term from April 1, 2024/the Effective Date to March 31, 2026 are set out below:

	For the period from April 1, 2024/ the Effective Date to March 31, 2025 HK\$'000	For the period from April 1, 2025 to March 31, 2026 HK\$'000
The service fees for the Shared Services payable by Ant Bank (Macao) to the Ant Group	12,800	16,200

The Shared Services Annual Caps are determined primarily with reference to: (i) the expected demand of Ant Bank (Macao) for the Shared Services under the Framework Agreement during the term of the Framework Agreement; (ii) the historical volume of the Shared Services purchased by Ant Bank (Macao) and the service fees paid by Ant Bank (Macao) to the Ant Group for the Shared Services for the last quarter of 2023; (iii) additional services that may be required by Ant Bank (Macao) due to business expansion; and (iv) labor cost inflation.

(ii) The Technical Services

The annual caps (the “**Technical Services Annual Caps**”) of the service fees for the Technical Services payable by Ant Bank (Macao) to the Ant Group under the Framework Agreement for the term from April 1, 2024/the Effective Date to March 31, 2026 are set out below:

	For the period from April 1, 2024/ the Effective Date to March 31, 2025 <i>HK\$'000</i>	For the period from April 1, 2025 to March 31, 2026 <i>HK\$'000</i>
The service fees for the Technical Services payable by Ant Bank (Macao) to the Ant Group	38,100	42,400

The Technical Services Annual Caps are determined primarily with reference to: (i) the expected demand of Ant Bank (Macao) for the Technical Services under the Framework Agreement and the relevant service fees payable by Ant Bank (Macao) to the Ant Group during the term of the Framework Agreement; (ii) the historical volume of the Technical Services purchased by Ant Bank (Macao) and the service fees paid by Ant Bank (Macao) to the Ant Group for the Technical Services for the two years ended December 31, 2023; and (iii) certain buffer for additional services that may be required by Ant Bank (Macao).

D. INTERNAL CONTROL MEASURES FOR THE CCTS

Following the Closing, the relevant team responsible for negotiating the terms of business cooperation and resources sharing with the Ant Group should submit the draft Specific Execution Agreement for review by the Company's chief financial officer who will check that the terms to be offered by the Ant Group to Ant Bank (Macao) shall be in line with and not less favorable than those offered to other third parties independent of the Ant Group; or where there is no comparable scale or type of transactions conducted by the Ant Group with such independent third parties, the terms offered by Ant Bank (Macao) to the Ant Group should be in line with and not more favorable than those offered by Ant Bank (Macao) to other independent third parties. In particular, the service fees charged by the Ant Group to Ant Bank (Macao) shall be within the normal range of service fees payable by other independent third parties for the same or similar services offered by the Ant Group; or where there is no comparable scale or type of services provided by the Ant Group to such independent third parties, the service fees charged by the Ant Group to Ant Bank (Macao) shall be within the normal range of service fees payable by Ant Bank (Macao) to other independent third-party service 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 person in charge of internal control function. 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 Framework Agreement includes a customary provision, pursuant to which Ant Technologies shall, and/or shall procure the Ant Group to, subject to applicable laws and regulations, generally allow the auditors of the Company or Ant Bank (Macao) (as the case may be) access to information necessary to report on the CCTs. The parties to the Framework Agreement have also agreed that they must abide by the GEM Listing Rules when performing their obligations under the terms of the Framework Agreement, including but not limited to the Annual Caps 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 which will result in the Group being unable to perform its contractual obligations stipulated under the terms of the Framework Agreement and/or the Specific Execution Agreements (as the case may be), the Group shall be allowed to temporarily suspend the performance of its contractual obligations stipulated in such agreements until the Group 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. The parties to the Framework Agreement have also agreed to amend or update the relevant terms of the 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 relation to 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 in respect of the Shared Services and Technical Services will be subject to annual review by the independent non-executive Directors and the auditors of the Company of their terms and the relevant 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.

III. INFORMATION ABOUT THE PARTIES

1. The Company and the Group

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 the Ant Group.

2. mFinance

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

3. AGTech Macau

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

4. Star N Cloud

Star N Cloud is a company incorporated under the laws of Macau with limited liability. It is an investment holding vehicle with no other business activities. As at the date of this announcement, it is held as to 70% and 30% by Cosmic Pilot Limited (a company wholly-owned by Mr. Cheung Lup Kwan Vitor) and AGTech Macau, respectively. Upon the Closing, the Group will cease to have any interest in Star N Cloud and Star N Cloud will cease to be a 30% indirectly owned associated company of the Company.

5. Ant Bank (Macao)

Ant Bank (Macao) is a company incorporated under the laws of Macau with limited liability. It is principally engaged in the provision of mobile payment services and financial banking services in Macau. As at the date of this announcement, the share capital of Ant Bank (Macao) is held as to 33.4%, 33.3% and 33.3% by Alipay (Macao) Holding, Alipay (Macao) Investment and Star N Cloud, respectively. Upon the Closing, Ant Bank (Macao) will be held as to approximately 51.5%, 24.3% and 24.2% by mFinance, Alipay (Macao) Holding and Alipay (Macao) Investment, respectively.

6. Alipay HK, Ant Technologies, Alipay (Macao) Holding and Alipay (Macao) Investment

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

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

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

As at the date of this announcement, Hangzhou Junhan Equity Investment Partnership (Limited Partnership)* (杭州君瀚股權投資合夥企業(有限合夥)) (“**Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership)* (杭州君澳股權投資合夥企業(有限合夥)) (“**Junao**”) hold approximately 31% and 22% of Ant Holdco’s total issued shares, respectively. Hangzhou Xingtao Enterprise Management Consultancy Co., Ltd.* (杭州星滔企業管理諮詢有限公司) (“**Xingtao**”) is the executive partner and general partner of Junhan; Hangzhou Yunbo Investment Consultancy Co., Ltd.* (杭州雲鉅投資諮詢有限公司) (“**Yunbo**”) is the executive partner and general partner of Junao; and each of Xingtao and Yunbo is held by five individuals as to 20% each. The remaining issued shares in Ant Holdco are 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.

7. Mr. Cheung Felix Vitor

Mr. Cheung Felix Vitor is the son of Mr. Cheung Lup Kwan Vitor who is the sole owner of Cosmic Pilot Limited, which holds a 70% equity interest in Star N Cloud.

IV. GEM LISTING RULES IMPLICATIONS

1. The Share Transfer Agreement, the Capital Increase Agreement and the Share Transfer Undertaking Agreement

As the highest applicable percentage ratio in relation to the aggregate amount of the Share Transfer and the Capital Increase exceeds 5% but is less than 25%, the Share Transfer and the Capital Increase (when aggregated) constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. As the highest applicable percentage ratio in relation to the Proposed Sale of Star N Cloud is less than 5%, the Proposed Sale of Star N Cloud does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. As the Transaction involves both an acquisition and a disposal, pursuant to Rule 19.24 of the GEM Listing Rules, the Transaction will be classified by reference to the larger of the acquisition and the disposal. Based on the aforesaid, the Transaction constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As at the date of this announcement, Ali Fortune, the controlling shareholder of the Company holding 6,502,723,993 Shares (representing approximately 55.7% of the issued share capital of the Company), is indirectly 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. Ant Bank (Macao) is an indirect 66.7%-owned subsidiary of Ant Holdco and its other 33.3% equity interest is held by Star N Cloud. Each of Alipay (Macao) Holding and Alipay (Macao) Investment is an indirect wholly-owned subsidiary of Ant Holdco. Each of Ant Holdco, Ant Bank (Macao), Alipay (Macao) Holding and Alipay (Macao) Investment is an associate of Alibaba Holding and a connected person of the Company. Accordingly, the Capital Increase constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules, and since the Proposed Sale of Star N Cloud is conditional on the completion of the Share Transfer, which in turn is conditional on the completion of the Capital Increase, the Transaction constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules and will be subject to the announcement and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules as its consideration exceeds HK\$10 million.

2. The Call Option Termination Agreement

As at the date of this announcement, the Company indirectly holds a 30% equity interest in Star N Cloud, and Star N Cloud is not a subsidiary of the Company. Accordingly, the Call Option Termination Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules or a connected transaction for the Company under Chapter 20 of the GEM Listing Rules. Details of the Call Option Termination Agreement are disclosed herein for the information of Shareholders only.

3. The Framework Agreement

As the Ant Group are associates of Alibaba Holding and hence connected persons of the Company, the Framework Agreement and the CCTs 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 relation to the highest Shared Services Annual Caps are more than 0.1% but all of them are less than 5%, the Shared Services (including the Shared Services Annual Caps) are subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. As one or more of the applicable percentage ratios in relation to the highest Technical Services Annual Caps after aggregated with the relevant annual caps in respect of technical services provided by the Ant Group under the 2023 Framework Agreement exceed 5%, the Technical Services (including the Technical Services Annual Caps) are subject to the reporting, annual review, announcement 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 (Macao); and (iii) Mr. Zou Liang is an employee of the Ant Group, each of these Directors is deemed or may be perceived to have a material interest in the Transaction and the Technical Services, and had therefore abstained from voting on the Board resolutions for approval of the Transaction and the Technical Services (including the Technical Services Annual Caps).

V. THE SGM

The SGM will be convened and held by the Company to consider, and, if thought fit, approve the resolutions in relation to the Transaction and the Technical Services (including the Technical Services Annual Caps). To the best of the Directors' knowledge, belief and information, having made all reasonable enquiries, as at the date of this announcement, (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 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 (Macao)) holds a 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 as at the date of this announcement), shall abstain from voting on the resolutions in relation to the Transaction and the Technical Services (including the Technical Services 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 date of this announcement, will be required to abstain from voting on the resolutions to approve the Transaction and the Technical Services (including the Technical Services 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 Transaction and the Technical Services (including the Technical Services Annual Caps) at the SGM.

The Independent Board Committee has been established to give recommendation to the Independent Shareholders on the terms of the Transaction and the Technical Services (including the Technical Services Annual Caps). Altus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

VI. GENERAL

A circular containing, among other things, (i) details of the Share Transfer Agreement; (ii) details of the Capital Increase Agreement; (iii) details of the Share Transfer Undertaking Agreement, (iv) details of the Technical Services under the Framework Agreement and the Technical Services Annual Caps; (v) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transaction and the Technical Services (including the Technical Services Annual Caps); (vi) a letter from the independent financial adviser of the Company, Altus Capital Limited, to advise the Independent Board Committee and the Independent Shareholders in the aforesaid regard; (vii) the notice convening the SGM; and (viii) other information as required under the GEM Listing Rules, is expected to be dispatched to the Shareholders on or before February 27, 2024, as additional time is required for the Company to prepare and finalize the relevant information for inclusion in the circular.

As the Closing is subject to fulfilment or waiver (as the case may be) of the Closing Conditions, the Transaction may or may not proceed. The Framework Agreement shall be effective upon fulfillment of certain conditions including, among other things, the Closing having taken place, and therefore the Framework Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

VII. DEFINITIONS

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

“2023 Framework Agreement”	the business cooperation framework agreement dated December 21, 2023 entered into among the Company, Ant Bank (Macao) and relevant members of the Ant Group in relation to, among other things, the provision of payment services and related services by relevant members of the Ant Group to the Group
“affiliated company(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“AGTech Macau”	AGTech (Macao) Limited, a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of the Company
“Ali Fortune”	Ali Fortune Investment Holding Limited, a company incorporated under the laws of the British Virgin Islands and the controlling shareholder of the Company
“Alibaba Group”	Alibaba Holding and its subsidiaries
“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))
“Alipay HK”	Alipay (Hong Kong) Holding Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of Ant Holdco
“Alipay (Macau) Holding”	支付寶(澳門)控股一人有限公司 (Alipay (Macau) Holding Limited), a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of Ant Holdco

“Alipay (Macau) Investment”	支付寶(澳門)投資一人有限公司 (Alipay (Macau) Investment Limited), a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of Ant Holdco
“AMCM”	Autoridade Monetária de Macau (the Monetary Authority of Macau)
“Annual Caps”	the maximum amounts of annual service fees in relation to the transactions contemplated under the Framework Agreement
“Ant Bank (Macao)”	Ant Bank (Macao) Limited (螞蟻銀行(澳門)股份有限公司), previously known as Xinghui Bank Limited (星匯銀行股份有限公司), a company incorporated under the laws of Macau with limited liability which, as at the date of this announcement, is held as to 33.4%, 33.3% and 33.3% by Alipay (Macau) Holding, Alipay (Macau) Investment and Star N Cloud, respectively
“Ant Group”	Ant Holdco and its subsidiaries and affiliated companies
“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 incorporated under the laws of the PRC with limited liability
“Ant Technologies”	Ant International Technologies (Hong Kong) Holding Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of Ant Holdco
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Call Option Agreement”	the call option agreement dated September 3, 2018 entered into between Star N Cloud and Alipay HK in relation to the granting of the Option by Star N Cloud to Alipay HK

“Call Option Termination Agreement”	the termination agreement dated February 8, 2024 entered into between Star N Cloud and Alipay HK in relation to the termination of the Call Option Agreement
“Capital Increase”	the transactions contemplated under the Capital Increase Agreement, namely the subscription by mFinance of 1,500,000 common shares (representing approximately 27.3% of the enlarged issued share capital of Ant Bank (Macao)) to be issued by Ant Bank (Macao) for a total consideration of MOP150,000,000 (equivalent to approximately HK\$145,635,000)
“Capital Increase Agreement”	the conditional capital increase agreement dated February 8, 2024 entered into among mFinance, Ant Bank (Macao), Alipay (Macau) Holding and Alipay (Macau) Investment in relation to the Capital Increase
“CCTs”	the continuing connected transactions under the Framework Agreement
“Closing”	the completion of the Transaction in accordance with the terms and conditions under the Share Transfer Agreement, the Capital Increase Agreement and the Share Transfer Undertaking Agreement
“Closing Conditions”	the conditions precedent to the Closing
“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(s)”	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)”	director(s) of the Company
“Effective Date”	the date on which all the conditions precedent under the Framework Agreement have been satisfied

“Framework Agreement”	the conditional business cooperation and resources sharing framework agreement dated February 8, 2024 entered into among the Company, Ant Bank (Macao) and Ant Technologies in relation to the business cooperation and resources sharing between Ant Bank (Macao) and the Ant Group
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board (comprising 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 relation to the Transaction and the Technical Services (including the Technical Services Annual Caps)
“Independent Shareholders”	Shareholder(s), other than Ali Fortune and its associates and other Shareholders (including 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 Transaction and the Technical Services (including the Technical Services Annual Caps) and shall be required to abstain from voting on the relevant resolutions to be proposed at the SGM for approving the Transaction and the Technical Services (including the Technical Services Annual Caps)
“Macau”	the Macau Special Administrative Region of the PRC
“mFinance”	mFinance Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“MOP”	Macau Patacas, the lawful currency of Macau

“Option”	the call option granted by Star N Cloud to Alipay HK to acquire from Star N Cloud the Option Shares pursuant to the Call Option Agreement
“Option Shares”	83,000 shares in the capital of Ant Bank (Macao), provided, however, if after the date of the Call Option Agreement, Star N Cloud acquires additional shares in Ant Bank (Macao), the number of the Option Shares shall be increased by the following: the number of additional shares, multiplied by 83,000 and divided by 333,000 (rounded to the nearest whole number)
“percentage ratio(s)”	has the meaning ascribed to it under the GEM Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this announcement, refers to Chinese Mainland only
“Proposed Sale of Star N Cloud”	the transactions contemplated under the Share Transfer Undertaking Agreement, namely the proposed sale of 30% of the issued share capital of Star N Cloud by AGTech Macau to Mr. Cheung Felix Vitor
“Sale Shares”	1,332,000 issued common shares of Ant Bank (Macao) with par value of MOP100 (equivalent to approximately HK\$97) each, representing 33.3% of the issued share capital of Ant Bank (Macao) as at the date of this announcement or approximately 24.2% of the issued share capital of Ant Bank (Macao) as enlarged by the Capital Increase
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the resolutions in relation to the Transaction and the Technical Services (including the Technical Services Annual Caps)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among mFinance, Alipay (Macao) Holding, Alipay (Macao) Investment and Ant Bank (Macao) upon the Closing
“Shareholder(s)”	holder(s) of the issued Share(s)
“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
“Share Transfer”	the transactions contemplated under the Share Transfer Agreement, namely the proposed acquisition of the Sale Shares from Star N Cloud by mFinance
“Share Transfer Agreement”	the conditional share transfer agreement dated February 8, 2024 entered into between mFinance and Star N Cloud in relation to the Share Transfer
“Share Transfer Undertaking Agreement”	the agreement dated February 8, 2024 entered into between AGTech Macau and Mr. Cheung Felix Vitor in relation to the Proposed Sale of Star N Cloud
“Shared Services”	has the meaning ascribed to it under the section headed “II. Possible Continuing Connected Transactions – A. The Framework Agreement – Services” in this announcement
“Shared Services Annual Caps”	has the meaning ascribed to it under the section headed “II. Possible Continuing Connected Transactions – C. Historical Transaction Amounts and Annual Caps” in this announcement
“Specific Execution Agreement(s)”	the specific execution agreement(s) to be entered into between Ant Bank (Macao) and the Ant Group to set out detailed terms of execution of the transactions contemplated under the Framework Agreement
“Star N Cloud”	Star N Cloud Network Intelligence Company Limited (星雲網絡科技有限公司), a company incorporated under the laws of Macau with limited liability and, as at the date of this announcement, a 30% indirectly owned associated company of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules
“Technical Services”	has the meaning ascribed to it under the section headed “II. Possible Continuing Connected Transactions – A. The Framework Agreement – Services” in this announcement

“Technical Services Annual Caps”	has the meaning ascribed to it under the section headed “II. Possible Continuing Connected Transactions – C. Historical Transaction Amounts and Annual Caps” in this announcement
“Transaction”	the Share Transfer, the Capital Increase and the Proposed Sale of Star N Cloud
“%”	per cent.

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

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

Hong Kong, February 8, 2024

* *For identification purposes only*

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Tung Pen Hung, Ms. Qin Yuehong, Mr. Ji Gang and Mr. Zou Liang as non-executive Directors; and (iii) Mr. Feng Qing, Dr. Gao Jack Qunyao and Mr. Chow Siu Lui as independent non-executive Directors.

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

This announcement will remain on the “Latest Listed Company Information” page of the HKEXnews website operated by the Stock Exchange at <https://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 <https://www.agtech.com>.