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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)

**RESIGNATION AND APPOINTMENT OF
EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER AND
MEMBER OF THE RISK MANAGEMENT AND
INTERNAL CONTROL COMMITTEE**

The Board announces that with effect from 30 January 2019:

- (i) Mr. Zhou Haijing has resigned as an executive Director, the chief financial officer, and a member of the risk management and internal control committee of the Company; and
- (ii) Ms. Hu Taoye has been appointed as an executive Director, the chief financial officer, and a member of the risk management and internal control committee of the Company.

RESIGNATION OF EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Director(s)**”) of AGTech Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that Mr. Zhou Haijing (“**Mr. Zhou**”) has tendered his resignation as the executive Director, the chief financial officer, and a member of the risk management and internal control committee of the Company, with effect from 30 January 2019, due to position re-arrangement and the needs to devote more time on his new position in Alibaba Group (i.e. Alibaba Group Holding Limited (“**Alibaba Holding**”) and its subsidiaries).

Mr. Zhou has confirmed that he has no disagreement with the Board and that there are no matters that need to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Zhou for his valuable contributions during his terms of office with the Company.

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that Ms. Hu Taoye (“**Ms. Hu**”) has been appointed as an executive Director, the chief financial officer, and a member of the risk management and internal control committee of the Company, with effect from 30 January 2019.

Ms. Hu

Ms. Hu, aged 39, obtained a Bachelor degree in Economics from Renmin University of China in the People’s Republic of China (the “**PRC**”) in July 2001. She was admitted as a practising member of the Chinese Institute of Certified Public Accountants in July 2003 and a non-practising member of such institute since March 2008. In addition, Ms. Hu was also admitted as a member and a fellow member of The Association of Chartered Certified Accountants (ACCA) in November 2005 and November 2010 respectively. From 2001 to early 2008, she worked for KPMG and her last position with KPMG was audit manager.

Ms. Hu joined Alibaba Group in February 2008. During February 2008 to May 2014, Ms. Hu served as an internal control director and a financial controller of the B2B and Alibaba Cloud divisions of Alibaba Group. After that, she served as a financial controller of Autonavi and UC Web, under Alibaba Mobile Internet Division of Alibaba Group until June 2016. Prior to joining the Group, Ms. Hu was a financial controller of the digital media and entertainment division of Alibaba Group.

A service agreement (the “**Service Agreement**”) has been entered into between the Company and Ms. Hu for an initial term of 1 year commencing from 30 January 2019, and either party thereto may terminate such agreement by giving the other party not less than three months’ written notice. Ms. Hu will hold office until the next following general meeting of the Company after her appointment, where she shall retire in accordance with the bye-laws of the Company and also be eligible for re-election at that meeting. Thereafter, if re-elected by the Shareholders thereat, she shall be subject to retirement by rotation and re-election at the Company’s general meetings pursuant to the bye-laws of the Company. Ms. Hu’s appointment will also be subject to the applicable requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”).

Pursuant to the Service Agreement, Ms. Hu is entitled to a fixed basic salary of RMB70,000 per month (plus a discretionary bonus), which is determined by the Board upon the recommendation of the remuneration committee of the Company by reference to her experience and responsibilities in the Company and the prevailing market conditions. In addition, as part of her overall remuneration package under the Service Agreement, Ms. Hu will be entitled to retain her rights in the unvested shares of Alibaba Holding in respect of the vesting period between 2020 and 2022 (the “**Unvested Alibaba Shares**”), which were previously granted to her prior to her appointment as an executive Director, provided that Ms. Hu shall continue to provide service to the Company as an executive Director and the chief financial officer as at the vesting date of the relevant Unvested Alibaba Shares. Subject to the condition as mentioned above and other conditions as specified in the share award scheme of Alibaba Holding, such Unvested Alibaba Shares will be vested to Ms. Hu annually in 3 tranches from 2020 to 2022 (i.e. Unvested Alibaba Shares will be vested on 1 April of each year). At vesting of the relevant Unvested Alibaba Shares each year, the Company will pay to Alibaba Holding the cost of the relevant vested shares (the “**Vested Alibaba Shares**”) based on the market value (i.e. the closing share price) of the Vested Alibaba Shares as at 29 January 2019 (the “**Reimbursement Arrangement**”), and the Vested Alibaba Shares will then be transferred to Ms. Hu as annual guaranteed bonus under the Service Agreement.

As at 29 January 2019, the cost of the Unvested Alibaba Shares are set out in the table below:

Vesting date	Cost of the Unvested Alibaba Shares as at 29 January 2019 (the “Annual Cap”)
1 April 2020	US\$282,384
1 April 2021	US\$243,164
1 April 2022	US\$86,284

As such, the maximum amount that may be reimbursed by the Company to Alibaba Holding annually under the Reimbursement Arrangement (i.e. the Annual Cap) shall be US\$282,384 for 2020, US\$243,164 for 2021 and US\$86,284 for 2022.

Pursuant to the Reimbursement Arrangement, in the event that Ms. Hu is transferred back to Alibaba Group in the future and ceases to be an executive Director and chief financial officer of the Company, the Company shall pay to Alibaba Holding the pro rata portion of the relevant Annual Cap in respect of the period between the first date of the relevant vesting period and the date on which Ms. Hu is transferred back to Alibaba Group.

The Company and Alibaba Holding has also entered into a reimbursement agreement on 30 January 2019 based on the same terms as set out above for the Reimbursement Arrangement in respect of the Unvested Alibaba Shares.

As Alibaba Holding is a connected person of the Company by virtue of being the holding company (and hence an associate) of the controlling shareholder of the Company (i.e. Ali Fortune Investment Holding Limited), the Reimbursement Arrangement constitutes a connected transaction for the Company under the GEM Listing Rules. As all of the applicable percentage ratios as defined in the GEM Listing Rules in respect of the highest Annual Cap is less than 5% and the highest Annual Cap is less than HK\$3 million, the Reimbursement Arrangement is fully exempt from the connected transaction requirements under Chapter 20 of the GEM Listing Rules.

In the future, if the Company decides to give Ms. Hu discretionary bonus pursuant to the Service Agreement and Ms. Hu informs the Company that she would like to receive such discretionary bonus in the form of shares in Alibaba Holding (“**Alibaba Shares**”), the Company will, subject to compliance with the GEM Listing Rules, have an option (but not an obligation) to request Alibaba Holding to issue/transfer to Ms. Hu the relevant number of Alibaba Shares based on the amount of the discretionary bonus divided by the market value of the Alibaba Shares as at the original payment date of discretionary bonus, and reimburse Alibaba Holding the cost for the issue/transfer of such Alibaba Shares to Ms. Hu based on the market value of the Alibaba Shares as at the original payment date of discretionary bonus (the “**Potential Reimbursement Arrangement**”).

Similar to the Reimbursement Arrangement, the Potential Reimbursement Arrangement, if materialised, will also constitute a connected transaction for the Company under the GEM Listing Rules. If the Company elects to request Alibaba Holding to issue/transfer the Alibaba Shares to Ms. Hu such that the Potential Reimbursement Arrangement becomes materialised, the Company will re-assess, and where appropriate, re-comply with the connected transaction requirements under Chapter 20 of the GEM Listing Rules in respect the Reimbursement Arrangement and the Potential Reimbursement Arrangement.

Ms. Hu may also be granted award shares by the Company from time to time pursuant to the share award scheme of the Company.

Save as disclosed above, as at the date of this announcement, Ms. Hu (i) has not previously held and is not holding any other position with the Company or any of its subsidiaries; (ii) has not held any other directorships in any listed companies in the last three years or any other major appointments and professional qualifications; and (iii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company, nor any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

During the period that Ms. Hu worked as the financial controller of the digital media and entertainment division of Alibaba Group, she acted as a member of voluntary winding up team responsible for dissolving 北京雅虎網信息技術有限公司 (Beijing Yahoo! Information and Technology Co. Ltd*) (“**Beijing Yahoo**”), a subsidiary of Alibaba Group which was established in the PRC. Before its dissolution, Beijing Yahoo was principally engaged in providing information and technology service for operating Yahoo China website. The relevant winding-up proceedings was approved by Beijing Administration for Industry and Commerce of the PRC and commenced on 25 April

2018. Upon completion of the dissolution, all the remaining capital of Beijing Yahoo will be distributed to its member in accordance with the applicable PRC laws and regulations and the constituent documents of Beijing Yahoo. Ms. Hu confirmed that there was no wrongful act on her part leading to the dissolution, and she is not aware of any actual or potential claim that has been or will be made against her as a result of such dissolution. Ms. Hu further confirmed that there was no outstanding unresolved issue relating thereto, and no action had been brought by the creditors or court against Ms. Hu in her capacity as a member of voluntary winding up team of Beijing Yahoo. The Directors are of the view that the aforesaid dissolution does not affect Ms. Hu's character, experience and integrity to act as an executive Director.

Save as disclosed above, there is no other matter in relation to the appointment of Ms. Hu that needs to be brought to the attention of the Shareholders nor is there any information that is required to be disclosed pursuant to any of the requirements under Rule 17.50(2) of the GEM Listing Rules.

The Board would like to extend its warm welcome to Ms. Hu in joining the Board.

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

* *For identification purpose only*

The Hong Kong Special Administrative Region of the People's Republic of China,

30 January 2019

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Zhang Qin, Mr. Yang Guang, Mr. Ji Gang and Mr. Zou Liang as non-executive Directors; and (iii) Ms. Monica Maria Nunes, Mr. Feng Qing and Dr. Gao Jack Qunyao 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 Company Announcements" page of the GEM website operated by the Stock Exchange at www.hkgem.com for at least seven days from the day of its posting and will be published on the website of the Company at www.agtech.com.