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

www.agtech.com

AGTech Holdings Limited
亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

INSIDE INFORMATION

INCREASE IN SHARE CAPITAL IN JOINT VENTURE IN MACAU

Reference is made to the announcement of the Company dated 3 September 2018 relating to the formation of the JV Company.

On 28 August 2019, Star N Cloud (a 30% indirectly owned associated company of the Company), Alipay (Macau) Holding, Alipay (Macau) Investment and the JV Company entered into the Capital Increase Agreement, pursuant to which the shareholders of the JV Company agreed to increase the share capital of the JV Company from MOP100 million (equivalent to approximately HK$97 million) to MOP400 million (equivalent to approximately HK$388 million) and to provide a prorated contribution.

This announcement is made by the Company pursuant to Rule 17.10(2) of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of AGTech Holdings Limited (the "**Company**") dated 3 September 2018 (the "**Announcement**") relating to the formation of Ant Bank (Macao) Limited (formerly known as "Xinghui Bank Limited") (the "**JV Company**"). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings ascribed to them in the Announcement.

As disclosed in the Announcement and as at the date of this announcement, the JV Company has an initial share capital of MOP100 million (equivalent to approximately HK$97 million) and is owned as to 33.3% by Star N Cloud (a 30% indirectly owned associated company of the Company), 33.4% by Alipay (Macau) Holding and 33.3% by Alipay (Macau) Investment.

On 28 August 2019, Star N Cloud, Alipay (Macau) Holding, Alipay (Macau) Investment and the JV Company entered into a capital increase agreement (the "**Capital Increase Agreement**"), pursuant to which the parties agreed to increase the share capital of the JV Company in two tranches as below.

By 15 August 2019 or within 15 days after the execution of the Capital Increase Agreement (whichever is later), Star N Cloud, Alipay (Macau) Holding and Alipay (Macau) Investment shall contribute further amount of capital to the JV Company as set out in the table below (the "**First Capital Increase**"):

Name of shareholder	Additional capital contribution	Shareholding percentage
Alipay (Macau) Holding	MOP66.8 million (equivalent to approximately HK$64.9 million)	33.4%
Alipay (Macau) Investment	MOP66.6 million (equivalent to approximately HK$64.7 million)	33.3%
Star N Cloud	MOP66.6 million (equivalent to approximately HK$64.7 million)	33.3%

Following the First Capital Increase, the registered share capital of the JV Company shall be increased to MOP300 million (equivalent to approximately HK$291 million).

Subsequently, and by 30 March 2020, the parties shall contribute further capital to the JV Company as set out in the table below (the "**Second Capital Increase**"):

Name of shareholder	Additional capital contribution	Shareholding percentage
Alipay (Macau) Holding	MOP33.4 million (equivalent to approximately HK$32.4 million)	33.4%
Alipay (Macau) Investment	MOP33.3 million (equivalent to approximately HK$32.3 million)	33.3%
Star N Cloud	MOP33.3 million (equivalent to approximately HK$32.3 million)	33.3%

Following the Second Capital Increase, the registered share capital of the JV Company shall be increased to MOP400 million (equivalent to approximately HK$388 million).

In the First Capital Increase and Second Capital Increase, MOP19.98 million (equivalent to approximately HK$19.40 million) and MOP9.99 million (equivalent to approximately HK$9.70 million) respectively will be financed by the Group's internal cash resources other than the proceeds from the Subscription (in proportion to the Group's 30% shareholding in Star N Cloud).

Reasons for and benefits of the increase in share capital in the JV Company

The terms of the Capital Increase Agreement were negotiated on an arm's length basis between the parties involved and the purpose of the capital increase is to strengthen the capital and for further development of the business of the JV Company. The Board is of the view that the First Capital Increase and Second Capital Increase will enable the Group to maintain its indirect proportionate equity interest in the JV Company via Star N Cloud. The Board believes that the JV Company represents a good investment in a stable business in Macau and will enable the Company to build up further its business networks in various aspects and develop more business opportunities in Macau and overseas. While the Group has agreed to increase its investment in the JV Company, its core businesses remain unchanged.

GEM Listing Rules Implications

Since the Company holds an indirect 30% equity interest in Star N Cloud, and Star N Cloud only owns 33.3% of the issued share capital of the JV Company, and both of which will remain to be the case after the First Capital Increase and the Second Capital Increase, both Star N Cloud and the JV Company are not and will not be treated as subsidiaries of the Company. Accordingly, the transactions contemplated under the Capital Increase Agreement do not constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules and the financial results of both Star N Cloud and the JV Company will not be consolidated into financial statements of the Group.

In connection with the Group's investment in Star N Cloud, the Group has funded a total of MOP9.99 million (equivalent to approximately HK$9.70 million) in cash for an indirect 30% equity interest in Star N Cloud at the formation of the JV Company (the "**Initial Capital Contribution**") and will further fund a sum of MOP29.97 million (equivalent to approximately HK$29.10 million) via Star N Cloud as a result of Star N Cloud entering into the Capital Increase Agreement. As all the applicable percentage ratios (as defined under the GEM Listing Rules) for the aggregate of the Group's contribution in respect of the Initial Capital Contribution, the First Capital Increase and the Second Capital Increase are less than 5%, the Group's investment in Star N Cloud does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

As disclosed in the announcement of the Company dated 23 March 2017, Ant Financial (a 40% substantial shareholder of the controlling shareholder of the Company, Ali Fortune) and its subsidiaries are deemed by the Stock Exchange as connected persons of the Company pursuant to Rule 20.17 of GEM Listing Rules. Accordingly, each of Alipay (Macau) Holding and Alipay (Macau) Investment, being an indirect wholly-owned subsidiary of Ant Financial, is deemed as a connected person of the Company under the GEM Listing Rules. However, the Company only owns 30% of the issued share capital of Star N Cloud (with the remaining 70% equity interest of Star N Cloud being beneficially owned by a third party who is not a connected person of the Company), Star N Cloud will not be treated as a subsidiary of the Company and the transactions contemplated under the Capital Increase Agreement do not constitute connected transactions for the Company under the Chapter 20 of the GEM Listing Rules.

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

Hong Kong, 28 August 2019

* *For identification purpose only*

For the purpose of illustration only, any amount denominated in MOP in this announcement is translated into HK$ at the rate of MOP1 = HK$0.970874. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Yang Guang, Mr. Li Faguang, 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 Rules Governing the Listing of Securities on GEM of the Stock Exchange 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.