



AGTech Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 8279

2022

THIRD QUARTERLY REPORT



Fortune · Happiness · Health · Luck · Responsibility

CHARACTERISTICS OF GEM

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

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

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This report, 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 of Hong Kong Limited 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 report 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 report misleading.

FINANCIAL HIGHLIGHTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

- Revenue of the Group for the Nine-Month Period amounted to approximately HK\$247.6 million (Nine months ended September 30, 2021: approximately HK\$144.9 million), representing an increase of approximately 70.9% over the corresponding period in 2021. For the Nine-Month Period, revenue contributions were mainly derived from lottery hardware sales, provision of lottery distribution and ancillary services in Mainland China and provision of electronic payment services in Macau. Revenue from the electronic payment business and related businesses of the newly acquired wholly-owned subsidiary of the Company in Macau, Macau Pass, of approximately HK\$104.0 million, was consolidated into the Group's results with effect from March 24, 2022.
- Operating loss for the Nine-Month Period was approximately HK\$112.5 million (Nine months ended September 30, 2021: approximately HK\$65.3 million). Such increase in operating loss was mainly due to a combination of factors: (i) the increase in total revenue of the Group as mentioned above (offset by the related costs and expenses); (ii) the Group recorded a net other loss of approximately HK\$24.2 million for the Nine-Month Period due to the depreciation of RMB against HK\$, as compared to a net other gain of approximately HK\$13.3 million for the nine months ended September 30, 2021; (iii) the increase in the depreciation and amortization expenses of the Group by approximately HK\$29.0 million for the Nine-Month Period; and partially offset by the decrease in employee benefits expenses by approximately 17.3% to approximately HK\$89.6 million for the Nine-Month Period despite the inclusion of Macau Pass Group's employee benefits expenses as the Group implemented restructuring last year for costs control to maintain its competitive position.
- The loss for the Nine-Month Period was approximately HK\$124.6 million (Nine months ended September 30, 2021: approximately HK\$46.3 million), representing an increase of approximately 168.8% over the corresponding period in 2021. A fair value loss on the convertible term loan facilities provided by the Group to its joint venture company, Paytm First Games Private Limited, of approximately HK\$29.6 million was recognized for the Nine-Month Period (Nine months ended September 30, 2021: gain of approximately HK\$3.1 million), mainly due to an increase in market interest rates during the Nine-Month Period.
- The Board does not recommend the payment of an interim dividend for the Nine-Month Period.

THIRD QUARTERLY RESULTS

The Board announces the unaudited consolidated results of the Group for the three months ended September 30, 2022 (the “**Three-Month Period**”) and the nine months ended September 30, 2022 (the “**Nine-Month Period**”), together with the comparative unaudited figures for the corresponding period in 2021 as below.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the three months and nine months ended September 30, 2022

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	2	114,331	66,982	247,598	144,913
Other income		3,851	2,110	7,504	13,938
Net other (losses)/gains		(17,278)	5,819	(24,193)	13,349
Employee benefits expenses		(34,115)	(33,435)	(89,581)	(108,294)
Purchases of and changes in inventories		(25,685)	(27,619)	(58,696)	(55,844)
Depreciation and amortization expenses		(19,531)	(3,836)	(43,208)	(14,252)
Other operating expenses		(65,534)	(20,259)	(151,875)	(59,084)
Operating loss		(43,961)	(10,238)	(112,451)	(65,274)
(Loss)/gain on fair value changes of financial assets at fair value through profit or loss		(2,988)	3,593	(29,629)	3,056
Loss on fair value changes of contingent consideration payables		(2,311)	–	(2,038)	–
Net finance income		8,719	3,947	17,808	13,962
Loss before income tax		(40,541)	(2,698)	(126,310)	(48,256)
Income tax credit	3	915	9	1,744	1,916
Loss for the period		(39,626)	(2,689)	(124,566)	(46,340)

	Notes	Three months ended		Nine months ended	
		September 30, 2022	2021	September 30, 2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other comprehensive income:					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Currency translation differences		(38,781)	699	(70,332)	7,323
Other comprehensive income for the period, net of tax		(38,781)	699	(70,332)	7,323
Total comprehensive income for the period		(78,407)	(1,990)	(194,898)	(39,017)
(Loss)/Profit attributable to:					
Owners of the company		(34,599)	(3,154)	(119,793)	(46,738)
Non-controlling interests		(5,027)	465	(4,773)	398
		(39,626)	(2,689)	(124,566)	(46,340)
Total comprehensive income attributable to:					
Owners of the company		(72,698)	(2,513)	(187,459)	(40,045)
Non-controlling interests		(5,709)	523	(7,439)	1,028
		(78,407)	(1,990)	(194,898)	(39,017)
Loss per share					
Basic	4	(HK0.30 cent)	(HK0.03 cent)	(HK1.05 cents)	(HK0.41 cent)
Diluted	4	(HK0.30 cent)	(HK0.03 cent)	(HK1.05 cents)	(HK0.41 cent)

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial information has been prepared in accordance with the applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of GEM Listing Rules.

The consolidated financial information has not been audited by the Company’s auditors, but has been reviewed and commented on by the Company’s audit committee. The accounting policies applied and significant judgements made by management in applying the Group’s accounting policies are consistent with those of the Group’s annual financial statements for the year ended December 31, 2021, except for the adoption of new or revised standards, amendments and interpretations which are relevant to the operations of the Group and mandatory for annual periods beginning January 1, 2022.

HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (the “**new and revised HKFRS**”). The Group has not early adopted the new and revised HKFRS that have been issued but are not yet effective, as the Group is in the process of assessing the impact of these new and revised HKFRS on the financial performance and financial position of the Group.

2. REVENUE

Revenue represents the amounts received and receivable from lottery hardware sales (including provision of related after-sales services), provision of lottery distribution and ancillary services in Mainland China, provision of electronic payment services in Macau (including provision of payment card services and ancillary services, e-wallet services and acquiring services for other payment platforms), games and entertainment and marketing technical services, non-lottery hardware sales and lease income of lottery hardware, payment terminals and equipment in Mainland China and Macau and is analysed as follows:

	Three months ended		Nine months ended	
	September 30, 2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000	September 30, 2022 (unaudited) HK\$'000	2021 (unaudited) HK\$'000
Lottery				
(i) Lottery hardware sales	44,359	39,113	97,916	78,839
(ii) Lottery distribution through physical channels and ancillary services	14,797	9,493	39,042	28,845
(iii) Lottery games and systems	–	–	–	67
Electronic payment				
(i) provision of payment card services and ancillary services	28,653	–	50,154	–
(ii) provision of e-wallet services	11,053	–	19,231	–
(iii) provision of acquiring services for other payment platforms	13,562	–	33,455	–
Games and entertainment and marketing technical services	189	9,972	1,659	20,103
Non-lottery hardware sales	128	8,404	2,419	17,059
Subtotal	112,741	66,982	243,876	144,913
Lease income of lottery hardware, payment terminals and equipment	1,590	–	3,722	–
Total	114,331	66,982	247,598	144,913

3. INCOME TAX CREDIT

Income tax credit for the Three-Month Period and Nine-Month Period represent PRC Enterprise Income Tax and deferred income tax.

4. LOSS PER SHARE**(a) Basic**

Basic loss per share is calculated by dividing the unaudited loss attributable to owners of the Company for the Three-Month Period of approximately HK\$34,599,000 and unaudited loss attributable to owners of the Company for the Nine-Month Period of approximately HK\$119,793,000 (for the three months and nine months ended September 30, 2021: loss of approximately HK\$3,154,000 and HK\$46,738,000 respectively) by the weighted average number of ordinary shares outstanding during the Three-Month Period and the Nine-Month Period of approximately 11,672,342,000 shares (for the three months and nine months ended September 30, 2021: approximately 11,672,342,000 shares) and excluding the weighted average number of shares held for share award scheme during the Three-Month Period and Nine-Month Period of approximately 237,279,000 shares and 230,513,000 shares respectively (for the three months and nine months ended September 30, 2021: approximately 141,945,000 shares and 152,065,000 shares respectively).

(b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share awards. For the share awards, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and share awards.

For the Three-Month Period and Nine-Month Period, the computation of the diluted loss per share does not assume the vesting of the outstanding share awards, as they would decrease the diluted loss per share.

For the three months and nine months ended September 30, 2021, the computation of the diluted loss per share does not assume the vesting of the outstanding share awards, as they would decrease the diluted loss per share.

5. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Nine-Month Period (2021: Nil).

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the Nine-Month Period

	Attributable to owners of the Company										Attributable to non-controlling interests	Total	
	Share capital	Share premium	Shares held for share award scheme	Share awards reserve	Statutory reserve	Exchange reserve	Contributed surplus	Property revaluation reserve	Other reserve	Accumulated losses			Subtotal
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at January 1, 2022	23,344	3,397,632	(118,855)	25,316	27,823	122,383	47,191	14,402	44,317	(746,944)	2,836,608	48,531	2,885,140
Loss for the period	-	-	-	-	-	-	-	-	-	(119,793)	(119,793)	(4,773)	(124,566)
Other comprehensive income for the period	-	-	-	-	-	(67,666)	-	-	-	-	(67,666)	(2,666)	(70,332)
Total comprehensive income for the period	-	-	-	-	-	(67,666)	-	-	-	(119,793)	(187,459)	(7,439)	(194,895)
Recognition of equity settled share-based payments	-	-	-	5,623	-	-	-	-	-	-	5,623	-	5,623
Purchase of shares under share award scheme	-	-	(20,952)	-	-	-	-	-	-	-	(20,952)	-	(20,952)
Transfer of shares upon vesting of share awards under share award scheme	-	764	9,943	(10,707)	-	-	-	-	-	-	-	-	-
Transfer to accumulated losses	-	-	-	-	(5,451)	-	-	-	-	-	5,451	-	-
Transactions with a shareholder	-	-	-	-	-	-	-	-	210	-	210	-	210
- Employee share-based compensation	-	-	-	-	-	-	-	-	(121)	-	(121)	-	(121)
- Employee share-based compensation recharge	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2022	23,344	3,398,396	(129,904)	20,232	22,382	54,727	47,191	14,402	44,406	(861,306)	2,633,870	42,092	2,675,962
Balance at January 1, 2021	23,344	3,395,298	(122,981)	39,979	26,756	108,924	47,191	14,402	45,081	(682,254)	2,895,740	47,574	2,943,314
Loss for the period	-	-	-	-	-	-	-	-	-	(46,738)	(46,738)	398	(46,340)
Other comprehensive income for the period	-	-	-	-	-	6,693	-	-	-	-	6,693	630	7,323
Total comprehensive income for the period	-	-	-	-	-	6,693	-	-	-	(46,738)	(40,045)	1,028	(39,017)
Recognition of equity settled share-based payments	-	-	-	15,414	-	-	-	-	-	-	15,414	-	15,414
Purchase of shares under share award scheme	-	-	(2,312)	-	-	-	-	-	-	-	(2,312)	-	(2,312)
Transfer of shares upon vesting of share awards under share award scheme	-	2,905	20,094	(22,999)	-	-	-	-	-	-	-	-	-
Transfer to accumulated losses	-	-	-	-	(3,954)	-	-	-	-	-	3,954	-	-
Transactions with a shareholder	-	-	-	-	-	-	-	-	633	-	633	-	633
- Employee share-based compensation	-	-	-	-	-	-	-	-	(1,128)	-	(1,128)	-	(1,128)
- Employee share-based compensation recharge	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at September 30, 2021	23,344	3,396,203	(105,229)	32,424	23,402	115,617	47,191	14,402	44,566	(725,638)	2,868,302	48,602	2,916,904

DISCUSSION AND ANALYSIS OF THE GROUP'S RESULTS AND BUSINESS ABOUT THE GROUP

AGTech was incorporated in Bermuda and its Shares are listed on GEM (Stock Code: 8279). AGTech is an integrated technology and services company engaged in electronic payment services, lottery, mobile games and entertainment and marketing technical services and non-lottery hardware supply markets with a focus on Mainland China and Macau. As a member of the Alibaba Group, the Group is the exclusive lottery platform of Alibaba Group and Ant Group.

AGTech's businesses are broadly divided into four principal categories:

- (i) Lottery:
 - (a) lottery hardware sales;
 - (b) lottery distribution through physical channels and ancillary services;
- (ii) Electronic payment:
 - (a) provision of payment card services and ancillary services;
 - (b) provision of e-wallet services;
 - (c) provision of acquiring services for other payment platforms;
- (iii) Games and entertainment and marketing technical services; and
- (iv) Non-lottery hardware supply (including sales and leasing).

AGTech is an associate member of the Asia Pacific Lottery Association (APLA).

CORPORATE STRATEGY AND OBJECTIVES

AGTech is committed to evolving its business into a comprehensive electronic payment services, lottery, mobile games and entertainment content and technology provider to customers around the world.

As the exclusive lottery platform of Alibaba Group and Ant Group, lottery technology and services will continue to be AGTech's domain expertise. The Group continues to leverage its lottery industry experience and innovation to support lottery authorities in areas including physical channel expansion, innovative hardware, marketing services and promotions.

Building on the past experiences of the Group in designing, operating and/or providing online and mobile games and entertainment contents to several online or mobile shopping and payment platforms, the Group will strive to integrate its core competencies into its electronic payment business in Macau, with a view to not only strengthening its presence in Macau, but also broadening its business coverage in complementary sectors including but not limited to e-commerce, advertising or marketing technical services and expanding its presence beyond Macau.

The Group will continue to utilize its research and development capabilities in respect of lottery hardware to extend its hardware product offering to non-lottery hardware for the retail sector, with a view to broadening the product spectrum of its hardware business. At the same time, the Group will also integrate and optimize its technical capabilities in the POS (point of sales) payment terminals market and provide better services for merchants in Macau.

Looking forward, AGTech will continue to pursue overseas opportunities and globalize our business through offering its proprietary systems and platforms, as well as operational and technical expertise, in addition to seeking strategic partnership with local partners in Asia.

INDUSTRY OVERVIEW

Lottery

There are two legal lottery operators in the PRC: the national welfare lottery (“**Welfare Lottery**”) and the national sports lottery (“**Sports Lottery**”).

According to MOF figures*, PRC lottery sales for the Nine-Month Period amounted to approximately RMB281.2 billion, representing an increase of approximately 1.0% over the corresponding period in 2021. Of this, Welfare Lottery amounted to approximately RMB112.2 billion, representing an increase of approximately 9.8% compared to the corresponding period in 2021. Sports Lottery achieved sales of approximately RMB169 billion, representing a decrease of approximately 4.1% compared to the corresponding period in 2021.

* Source: Ministry of Finance of the PRC

The Macau Electronic Payment Market

In 2021, Macau was gradually recovering from the COVID-19 pandemic and reopening to the world. According to the Statistics and Census Bureau of the Macau SAR government, a total of approximately 7.7 million tourists entered Macau in 2021, representing an increase of approximately 30.7% over 2020, of which approximately 7 million tourists were from Mainland China, representing an increase of approximately 48.2% over 2020. However, there was an outbreak of the COVID-19 pandemic in major Mainland Chinese cities throughout March to May 2022, in addition to Macau’s latest outbreak since late June 2022 which subsequently led to a temporary shutdown of all non-essential businesses in July 2022. Mainland Chinese visitor arrivals from July to August 2022 totaled approximately 0.34 million, down about 71.5% as compared to the same period in 2021, and as a result the number of visitors and their spendings in Macau have been severely affected in the third quarter this year. With Macau’s tourism dependent economy, the electronic payment market, which is mainly based upon on retail and food and beverage consumption, will be directly impacted by the COVID-19 pandemic.

Electronic payments are defined as non-cash transactions processed through digital channels. The electronic payment market in Macau is growing rapidly with the increase in the number of mobile payment transactions in recent years. According to the statistics of the AMCM*, the number of mobile payment transactions in Macau increased from approximately 65.49 million in 2020 to approximately 193 million in 2021, representing a year-over-year increase of approximately 195%. Such number of mobile payment transactions further increased by approximately 7.6% over the first quarter to approximately 68.57 million in the second quarter of 2022. This represents a 59.8% increase in the first half of 2022 compared to the same period in 2021. In addition, the total transaction value rose from approximately MOP6.32 billion in 2020 to approximately MOP18.52 billion in 2021, representing a year-over-year increase of approximately 193%. The total transaction value further increased by approximately 7.6% over the first quarter to approximately MOP6.4 billion in the second quarter of 2022. This represents a 64.5% increase in the first half of 2022 compared to the same period in 2021.

In 2021, the government of Macau further facilitated the promotion of electronic payment by launching the “Simple Pay” service, an integrated payment system that allows merchants to accept various types of electronic payment methods in Macau by a single payment terminal or a QR code. Over 90% of merchants in Macau have upgraded to the Simple Pay system since launch.

* Source: AMCM

Furthermore, in order to stimulate domestic demand and ease financial pressure faced by local residents and businesses, the government of Macau has launched the third round of “Electronic Consumption Benefits Plan” which will run from June 1, 2022 to February 28, 2023, entitling each qualified Macau resident to receive a start-up fund of MOP5,000 and a discount grant of MOP3,000 through one of the eight locally-registered mobile payment platforms (including MPay) or the electronic consumption card. The government of Macau has further announced an additional subsidy start-up fund of MOP8,000, which will run from October 28, 2022 to June 30, 2023. The government’s support for electronic payment has contributed to the digital transformation of Macau and the development of Macau’s electronic payment market.

Games and Entertainment and Marketing Technical Services

China’s digital adaption in the consumer sector, especially in the e-commerce space, has seen significant and continued growth in recent years. With the emergence of innovative marketing channels and platforms, digital technology and products are expected to further integrate with consumers.

According to the latest statistical report on China’s internet development released by the China Internet Network Information Center (“**CNNIC**”)*, there were over 1 billion internet users in China as of June 2022, with internet penetration rate reaching 74% of the population. In the first quarter of 2022, banks processed 23.5 billion online payments worth RMB585 trillion, increased 4% and 5% year-on-year respectively. Mobile payment services amounted to 34.6 billion transactions worth RMB131 trillion, increased 6% and 1% year-on-year respectively. Online retail sales reached RMB6.3 trillion in 2021, a year-over-year increase of 3.1%.

Integrated digital infrastructure has enabled cashless transactions and shopping platforms into a unique customer experience, and this acceleration has created opportunities in the digital marketing space.

* Source: CNNIC: “The 50th Statistical Report on China’s Internet Development (August 2022)”

BUSINESS REVIEW

Hardware

The development, sale and maintenance of lottery hardware (terminals and other lottery related equipment)

The Group primarily supplies to Sports Lottery and has hardware deployed in multiple provinces, cities, municipalities and autonomous regions across China. The Group is one of the leading suppliers in China of lottery terminals. The Group continues to focus on research and development in order to broaden and improve its product spectrum and develop new hardware ranges.

During the Nine-Month Period, the Group won multiple lottery hardware tenders to supply lottery terminals to the Sports Lottery Administration Centres in Guangxi Zhuang Autonomous Region, Yunnan province, Sichuan province, Jiangsu province, Hainan province, Hubei province and Mongolia Autonomous Region of the PRC. The Group will continue to pursue tenders to supply to the lottery and other hardware markets.

Lottery Distribution and Ancillary Services

Expansion of physical channels and lottery distribution

The Group currently distributes lottery (including lotto, sports lottery and instant scratch tickets) by expanding its physical lottery sales channels in China, which are mostly retail sales outlets operated by Alibaba Group. During the Nine-Month Period, the Group generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 52% over the corresponding period in 2021. Such increase was mainly attributable to the increase in average lottery sales volume per sales outlet as a result of the Group's continuous efforts in expanding its network of collaborating retail sales outlets for lottery distribution with an increase of approximately 26% in the number of such outlets over the corresponding period in 2021.

Lottery Resources Channel Operations and Platform Services

The Group has successfully launched its dedicated lottery resources channel on Taobao and Alipay. While this lottery resources channel has not conducted any internet lottery sales, it serves as a one-stop platform for many lottery-related services and resources, providing lottery players and online users in China an easy access to information and resources that address various lottery needs.

The content on the lottery resources channel includes displaying of certain historical and current lottery products results. Further, the channel compiles the locations of nearby lottery retail channels, paving the way for further integration of online and offline resources in the future. With the addition of sports event information and paid contents, the Group has been expanding its offerings of tools and products according to market demands and users' needs. Personalized suggestions of sports events information were provided based on users' demands and habits, thus a surge of number of active users was recorded. Through this channel, the Group hopes to build on its online presence and maximize the value of its business partnership with Alibaba Group and Ant Group, in addition to preparation for any potential policy approval and authorization of online distribution of lottery products in the future.

Electronic Payment

The indirect wholly-owned subsidiary of the Company, Macau Pass, is a leading payment service provider in Macau and is an "other credit institution" licensed under AMCM. It is principally engaged in payment card and ancillary services, e-wallet services and acquiring services.

Payment card services and ancillary services

The "Macau Pass Card" (the "MP Card(s)") is the most common contactless smart card for payments in Macau. There are currently more than three million MP Cards in circulation. The MP Card can be used for bus fare payments, payments for other public transports, car parks, government services, retail consumption, food and beverage services. Starting from May 24 2022, passengers of the Macau's Light Rail Transit can also use their MP Cards for fare payment. The MP Card can also be customized to include functions such as door access card, staff badge or membership card. Macau Pass receives commission income from merchants for processing transactions with payments made via MP Cards, and also generates revenue from ancillary card services such as sales and management of MP Cards.

In order to stimulate domestic demand and ease financial pressure faced by local residents and businesses, the government of Macau has launched a third round of “Electronic Consumption Benefits Plan” which will run from June 1, 2022 to February 28, 2023, entitling each qualified Macau resident to receive a start-up fund of MOP5,000 and a discount grant of MOP3,000 through one of the eight locally-registered mobile payment platforms (including MPay) or the electronic consumption card. The government of Macau has further announced an additional subsidy start-up fund of MOP8,000, which will run from October 28, 2022 to June 30, 2023.

Macau Pass continues to support and promote the latest round of economic aid through its three customer service centers by providing assistance to services such as registration and activation. An increase of approximately 25% on active card usage was observed during the month of launch of the third round of “Electronic Consumption Benefits Plan”.

E-wallet services

The Group provides e-wallet services via a mobile app called “MPay”, which supports online and offline payments covering different payment scenarios such as person-to-person transfer, telecommunication and utility bill payment, online ticketing, payment of car parking fees and payment of bus fares using QR code. Through co-operation with designated banking partners, MPay is also allowed by the People’s Bank of China for offline cross-border use in the PRC. The Group receives commission income (based on a percentage of the transaction value) from merchants for processing transactions with payments made via MPay.

In response to the latest round of economic stimulus and as one of the eight locally-registered mobile payment platforms, MPay has launched a series of electronic consumption promotions via the use of its e-wallet services, where users can get random discounts or payment rebates, as well as win prizes and earn loyalty points, mCoins, for redemption of merchant coupons and other exclusive offers on its platform. As the leading mobile payment e-wallet in Macau, MPay will continue to explore on strategic cooperation with Alibaba Group to further and create more diverse business scenarios within the e-commerce and digital media and entertainment landscape, in addition to exploring commercialization opportunities within the Macau electronic payment ecosystem. Registered users of MPay account for over 90% of local residents.

Acquiring services

The Group supplies integrated payment terminals and provides acquiring services to merchants which enable merchants to accept different payment methods of other payment service providers, including but not limited to the “Alipay” e-wallet, the “AlipayHK” e-wallet and Ant Bank’s “Alipay (Macao)” e-wallet operated by the Alipay Entities and/or their affiliate(s), WeChat Pay and other e-wallets launched by certain other banks in Macau (collectively, the “**Other Payment Service Providers**”). The Group receives commission income (based on a percentage of the transaction value) from merchants for processing payment of the transactions and pays a portion of such commission (based on a percentage lower than the commission rate of the transaction value) as service fees to the Other Payment Service Providers.

Games and Entertainment and Marketing Technical Services

Online non-lottery games, entertainment content, and marketing technical services

The Group is dedicated to evolving its business into a comprehensive mobile games, entertainment content and marketing technical services provider to customers around the world. The Group has been active in building its online presence and customer-base through various online channels by offering various types of proprietary non-lottery games and entertainment content.

Non-lottery Hardware Supply

In addition to lottery hardware supplies, expansion to other consumer sectors has been a focus for the Group. With a view to broadening product spectrum of its hardware business utilizing the research and development capability of the Group and in view of the fact that many of the hardware supplies for the retail market share similar technology and components underlying the lottery hardware products supplied by the Group throughout many years, the Group has extended its hardware product offering to smart hardware in the retail sector.

Sale and Leasing of Payment Terminals and Equipment

The Group also sells and leases card reader and scanner payment terminals, multi-functional payment terminals and payment equipment for vending machines to buses and/or merchants which accept the MP Cards, MPay or use the Group’s acquiring services.

International Market

Strategic expansion in selected overseas markets

(i) *Paytm First Games Private Limited in India:*

A joint venture company of the Group with One97 Communications Limited (“**One97**”), namely, Paytm First Games Private Limited (the “**JV**”), developed and operated its mobile games and entertainment platform, namely “Paytm First Games”, in India. One97 is the owner of Paytm, which is a leading mobile payment platform in India. Paytm First Games offers players a unique online experience with popular games content such as rummy, poker, fantasy sports games, other card and board games. While the COVID-19 pandemic affected operations of many industries on a global basis, the online gaming industry in India continues to witness growth.

Over the past few years, the business has continued to grow rapidly, with revenue in 2021 increasing by approximately 199% as compared to 2020. Paytm First Games will strive to continue to grow its user base, further monetizing this unique platform and capitalizing on the significant potential of the fast-growing mobile games and entertainment market in India.

(ii) *Ant Bank in Macau:*

Ant Bank is a joint venture company held as to 66.7% by two indirectly wholly-owned subsidiaries of Ant Holdco and as to 33.3% by a 30% indirectly owned associated company of the Company. Ant Bank officially commenced operations in April 2019, with a business scope of providing mobile payment services and financial banking services such as deposit, loan and remittance services to residents and small and medium-sized enterprises (“**SMEs**”) of Macau. The chairman and CEO of the Company, Mr. Sun Ho, and the non-executive Director, Mr. Ji Gang, are also directors of the Ant Bank.

In September 2019, Ant Bank officially launched the Alipay (Macao) e-wallet payment service in Macau. In addition to its e-wallet payment service, Ant Bank provides internet financial products in Macau and brings contactless online financial services to Macau residents and SMEs. In terms of financial services for SMEs, Ant Bank has leveraged Ant Group’s practical experience of focusing on inclusive financial services to provide credit loan services for Macau SMEs engaged in retailing, catering and trading services.

BUSINESS OUTLOOK

The Group will proactively transform and build on its leading position within the Chinese lottery industry. As the exclusive lottery business platform of Alibaba Group and Ant Group, the Group expects to further align and benefit from synergies created through cooperation with Alibaba Group and Ant Group.

The Group's continuing efforts to partner with additional provincial lottery authorities of China in areas such as technology and business innovation, channel expansion and distribution, smart hardware terminals, data services, and other value added ancillary services are all part of its lottery initiatives. Transformation towards digitalization will continue, as its lottery solutions will enhance synergy and create value to all segments of the lottery industry chain. The Group will continue to explore lower-tier markets with its platform which is expected to be well equipped for applications within the Alibaba digital ecosystem, in addition to any potential change in distribution channels other than the current retail model. While the Group believes that the potential of internet and mobile distribution channels in the PRC lottery markets are promising, there is still uncertainty as to the timing of the potential re-opening of the online lottery distribution market under the applicable PRC laws and regulations. In this respect, the Group will continue to closely monitor policy developments.

The Group continues to operate the lottery resources channel on Taobao and Alipay to serve as a one-stop platform on lottery related information for existing and potential customers. With the addition of a wider variety of sports events and interactive entertainment to its lottery resources channel, the Group will continue to customize features to improve on user experience and engagement, with an eye towards the upcoming FIFA World Cup in November 2022. The Group will continue to leverage and explore opportunities for collaboration with Alibaba Group's retail ecosystem to enhance on lottery distribution models, and make efforts to provide high-quality payment channels for offline lottery channels to help improve the service capacity of lottery institutions. The Group believes that the integration of lottery services and products through physical retail distribution channel and networks will continue to create synergy and opportunities in the future.

As Macau Pass is a leading payment service provider in Macau, the Group strives to contribute to the local fintech development and smart city transformation for Macau and the Greater Bay Area through offering its contactless smart card, e-wallet and multipurpose e-payment system. The Group is committed to enable consumers and small businesses with access to technology and sustainable payment experiences. Through enhancing infrastructure and platform, it is the Group's aim to support the digital transformation of financial services in the Greater Bay Area and beyond.

Despite the COVID-19 pandemic in Macau, Macau Pass will continue to work closely with the government of Macau and provide assistance to merchants and residents via the third round of "Electronic Consumption Benefits Plan", in addition to other relief measures to SMEs, such as supporting the ongoing policy of fees exemption on the Simple Pay platform as announced in September 2022, which will continue until February 2023 in order to ease the impact of the COVID-19 pandemic on the local economy. With the immediate resumption of electronic visa application for Mainland China tourists to visit Macau, a gradual increase in visitor will be an important driver for Macau's economic recovery.

Transition to other consumer sectors presents an opportunity for the further development of the Group's hardware business. The hardware supplied for the retail market share similar technology and components that underlie the lottery hardware products supplied by the Group throughout the years. The Group believes its hardware division continues to be well positioned to take advantage of such opportunities should they arise. The Group will continue to integrate and optimize its technical capabilities in the POS (point of sales) payment terminals market and provide better services for merchants in Macau.

The Group will continue to prioritize its strategic projects, namely its joint venture investment, Paytm First Games, as well as its indirect investment, the Ant Bank. The Group will continue to dedicate its commitment and support to grow its business to further capitalize on diversification opportunities.

Lastly, the Group's continuing investment to enhance its technology infrastructure and develop its in-house capabilities continues to be a demonstration of its commitment to generate long term sustainable growth for the Shareholders.

Financial Performance Review

Revenue of the Group for the Nine-Month Period amounted to approximately HK\$247.6 million (Nine months ended September 30, 2021: approximately HK\$144.9 million), representing an increase of approximately 70.9% over the corresponding period in 2021. For the Nine-Month Period, revenue contributions were mainly derived from lottery hardware sales, provision of lottery distribution and ancillary services in Mainland China and provision of electronic payment services in Macau. The increase in revenue for the Nine-Month Period was mainly caused by (i) the inclusion of revenue from the electronic payment and related businesses of the newly acquired wholly-owned subsidiary of the Company in Macau, Macau Pass, of approximately HK\$104.0 million which was consolidated into the Group's results with effect from March 24, 2022; (ii) the increases in sales of lottery hardware and revenue from the provision of lottery distribution and ancillary services by approximately HK\$19.1 million and approximately HK\$10.2 million respectively. Such increase in revenue from lottery hardware and provision of lottery distribution and ancillary services was mainly due to the Group's continuous effort in developing its lottery hardware business and expanding its network of collaboration with retail sales outlets for lottery distribution. The increase in revenue was partially offset by the decrease in revenue from the sales of non-lottery hardware by approximately HK\$14.6 million and the decrease in revenue from the games and entertainment and marketing technical services business by approximately HK\$18.4 million, primarily due to the decrease in revenue from the provision of online game contents by the Group to the JV as the JV successfully established its own research and development center in Beijing, the PRC and the Group no longer provides the JV with the technical and operational support for its fantasy sports games.

As a result of the outbreak of epidemic in Macau from late June to August 2022 and the ongoing government policy to request financial institutions including Macau Pass to exempt the transaction acquiring fee charged to small and medium enterprises for the Simple Pay system in Macau in 2022, the Group's profitability of electronic payment business was seriously affected during the Nine-Month Period. In September 2022, AMCM promoted financial institutions to further extend the exemption of the transaction handling fees charged to small and medium enterprises until the end of February 2023 in order to continuously support these enterprises during the pandemic. In response to AMCM's guidance, Macau Pass had rebated the transaction handling fees charged to small and medium enterprises of approximately HK\$25.7 million since March 24, 2022.

As a result of the aforesaid mentioned increase in sales of lottery hardware, there was a corresponding increase in purchases of and changes in inventories by approximately HK\$2.9 million to approximately HK\$58.7 million for the Nine-Month Period (Nine months ended September 30, 2021: approximately HK\$55.8 million). In addition, there was an increase in other operating expenses of the Group by approximately HK\$92.8 million to approximately HK\$151.9 million for the Nine-Month Period (Nine months ended September 30, 2021: approximately HK\$59.1 million), mainly due to the inclusion of other operating expenses of the Macau Pass Group, such as service fees paid to other payment service providers of approximately HK\$39.6 million and marketing expenses of approximately HK\$35.2 million including costs of the promotion campaigns relating to the 2022 Electronic Consumption Benefits Plan in Macau and costs incurred for e-wallet services' customer loyalty programme.

Operating loss for the Nine-Month Period was approximately HK\$112.5 million (Nine months ended September 30, 2021: approximately HK\$65.3 million). Such increase in operating loss was mainly due to a combination of factors: (i) the increase in total revenue (offset by the related costs and expenses) of the Group as mentioned above; (ii) the change from a foreign exchange gain of approximately HK\$12.2 million for the nine months ended September 30, 2021 to a foreign exchange loss of approximately HK\$24.2 million for the Nine-Month Period as a result of the depreciation of Renminbi against Hong Kong dollars during the Nine-Month Period; (iii) the increase in the depreciation and amortization expenses by approximately HK\$29.0 million to approximately HK\$43.2 million for the Nine-Month Period (Nine months ended September 30, 2021: approximately HK\$14.3 million), mainly due to the consolidation of the depreciation and amortization expenses of the Macau Pass Group into the financial statements of the Group and amortization expenses on the fair value of identifiable intangible assets, i.e. brand name, customer and business relationships arising from the acquisition of the Macau Pass Group; and partially offset by the decrease in employee benefits expenses by approximately 17.3% to approximately HK\$89.6 million for the Nine-Month Period despite the inclusion of the Macau Pass Group's employee benefits expenses as the Group implemented restructuring last year for costs control to maintain its competitive position (Nine months ended September 30, 2021: approximately HK\$108.3 million).

The loss for the Nine-Month Period was approximately HK\$124.6 million (Nine months ended September 30, 2021: approximately HK\$46.3 million), representing an increase of approximately 168.8% over the corresponding period in 2021. Besides the above-mentioned increase in operating loss, such increase in loss for the Nine-Month Period was caused by the fair value loss on the convertible term loan facilities provided by the Group to its 45%-owned joint venture company in India, Paytm First Games Private Limited, of approximately HK\$29.6 million for the Nine-Month Period (Nine months ended September 30, 2021: gain of approximately HK\$3.1 million), mainly due to an increase in market interest rates during the Nine-Month Period.

USE OF PROCEEDS FROM THE SUBSCRIPTION AND RE-ALLOCATION OF THE REMAINING NET PROCEEDS

The net proceeds from the Subscription (the “**Net Proceeds**”) received by the Company upon its completion amounted to approximately HK\$2.38 billion.

The Company announced various re-allocations (the “**2020 Re-allocations**”) of the Net Proceeds that remained as at March 31, 2020 together with their reasons in the Company’s first quarterly results announcement for the three months ended March 31, 2020, and such re-allocations had been implemented since then. As disclosed in the section headed “USE OF PROCEEDS FROM THE SUBSCRIPTION” on pages 131 to 134 of the annual report of the Company for the year ended December 31, 2021, Net Proceeds in the sum of approximately HK\$222.2 million remained as at December 31, 2021.

During the Nine-Month Period, approximately HK\$133.4 million in total was used by the Group for the business divisions of the Group and for investment, acquisition and general corporate purposes in the manner as set out in the table below. Net Proceeds in the sum of approximately HK\$88.8 million remained as at September 30, 2022, which were placed in the bank accounts of the Group.

In view of the fact that the Net Proceeds remained to be used by the Group amounted to only approximately HK\$88.8 million as at September 30, 2022 and the Net Proceeds previously allocated to the categories (ii), (iv) and (v) in the table below have been utilized in full, the Company considered that it would be more effective in terms of fund management to reallocate all the remaining Net Proceeds in category (i) to just category (v) for general corporate purposes (the “**2022 Re-allocations**”), rather than further breaking them down into all five categories as shown in the table below. In addition, as the Group has been prudent in its spending and business expansion under the persistent COVID-19 pandemic situation and implemented restructuring last year for costs control to maintain its competitive position, the usage of the Net Proceeds has been kept at a slower pace than expected. Accordingly, the Company considered it necessary to further postpone the deadline of usage of all the remaining Net Proceeds from December 31, 2022 to December 31, 2023.

Business divisions of the Group, or investment, acquisition or general corporate purposes, for which the Net Proceeds are intended to be used	Amount of Net Proceeds remained to be used as at December 31, 2021	Amount of Net Proceeds actually used during the Nine-Month Period	Amount of Net Proceeds remained to be used as at September 30, 2022	Amount of Net Proceeds remained to be used after adjustment for the 2022 Re-allocations	Actual application of Net Proceeds during the Nine-Month Period (with expected timeline of usage of unused proceeds and explanations for material difference from intended usage, if any)
(i) Games and Entertainment:	approximately HK\$52.7 million (or approximately 23.7% of total remaining as at December 31, 2021)	approximately HK\$5.0 million	approximately HK\$47.7 million	Nil (Note 1)	The Net Proceeds were used in item (i)(c).
(a) development, operation and promotion of the Chinese card game, GuanDan, and Two-on-One Poker					No material difference from intended usage noted following the 2020 Re-allocations and 2022 Re-allocations.
(b) development, operation and promotion of the mind sports, leisure games and entertainment					
(c) research and development (“R&D”) of games and entertainment content that are not subject to the applicable lottery laws and regulations in the PRC or other overseas markets					
(d) expansion and development of the Group’s R&D capability in technology development for games and systems					
(e) payment of marketing fees to merchants to promote and boost online activities by online users					

Business divisions of the Group, or investment, acquisition or general corporate purposes, for which the Net Proceeds are intended to be used	Amount of Net Proceeds remained to be used as at December 31, 2021	Amount of Net Proceeds actually used during the Nine-Month Period	Amount of Net Proceeds remained to be used as at September 30, 2022	Amount of Net Proceeds remained to be used after adjustment for the 2022 Re-allocations	Actual application of Net Proceeds during the Nine-Month Period (with expected timeline of usage of unused proceeds and explanations for material difference from intended usage, if any)
(ii) Hardware, Lottery Games & Systems:	approximately HK\$9.4 million (or approximately 4.2% of total remaining as at December 31, 2021)	approximately HK\$9.4 million	Nil	Nil	The Net Proceeds were used in items (ii)(a), (ii)(b) and (ii)(e). No material difference from intended usage noted following the 2020 Re-allocations and 2022 Re-allocations.
(a) operation and development of lottery hardware and terminal production					
(b) operation and development of lottery software systems					
(c) development of ancillary parts for lottery hardware and terminal production					
(d) investment for lottery games					
(e) sourcing, manufacturing, operation and development of smart hardware and ancillary equipment and provision of related after-sales maintenance services					
(iii) Lottery Distribution:	approximately HK\$95.1 million (or approximately 42.8% of total remaining as at December 31, 2021)	approximately HK\$54.0 million	approximately HK\$41.1 million	approximately HK\$41.1 million	The Net Proceeds were used in items (iii)(b) and (iii)(c). No material difference from intended usage noted following the 2020 Re-allocations and 2022 Re-allocations. The Net Proceeds allocated to "Lottery Distribution" are expected to be used on or before December 31, 2023.
(a) sales, marketing and distribution of virtual lottery games					
(b) sales, marketing and distribution of instant scratch lottery games					
(c) sales, marketing and distribution of other categories of lottery games					
(d) online sales, marketing and distribution of lottery products (including but not limited to the future cooperation with Taobao and Alipay)					

Business divisions of the Group, or investment, acquisition or general corporate purposes, for which the Net Proceeds are intended to be used	Amount of Net Proceeds remained to be used as at December 31, 2021	Amount of Net Proceeds actually used during the Nine-Month Period	Amount of Net Proceeds remained to be used as at September 30, 2022	Amount of Net Proceeds remained to be used after adjustment for the 2022 Re-allocations	Actual application of Net Proceeds during the Nine-Month Period (with expected timeline of usage of unused proceeds and explanations for material difference from intended usage, if any)
(iv) Investment project(s) and acquisition(s):	approximately HK\$0.9 million (or approximately 0.4% of total remaining as at December 31, 2021)	approximately HK\$0.9 million	Nil	Nil	The Net Proceeds were used in item (v)(d).
(a) potential investment project(s) in overseas markets in areas of lottery business and games and entertainment business					No material difference from intended usage noted following the 2020 Re-allocations and 2022 Re-allocations.
(b) potential acquisition(s) of businesses engaged in lottery business and games and entertainment business					
(c) capital investments in the Group's joint venture company established with One97 Communications Limited in India					
(d) funding provided by the Group to support business expansion and ongoing operation in overseas markets					

Business divisions of the Group, or investment, acquisition or general corporate purposes, for which the Net Proceeds are intended to be used	Amount of Net Proceeds remained to be used as at December 31, 2021	Amount of Net Proceeds actually used during the Nine-Month Period	Amount of Net Proceeds remained to be used as at September 30, 2022	Amount of Net Proceeds remained to be used after adjustment for the 2022 Re-allocations	Actual application of Net Proceeds during the Nine-Month Period (with expected timeline of usage of unused proceeds and explanations for material difference from intended usage, if any)
(v) General corporate purposes:	approximately HK\$64.1 million (or approximately 28.9% of total remaining as at December 31, 2021)	approximately HK\$64.1 million	Nil	approximately HK\$47.7 million (Note 2)	The Net Proceeds were used in items (v)(a) and (v)(b).
(a) staff costs and other administrative expenses of the Group (including the costs relating to the Share Award Scheme)					No material difference from intended usage noted following the 2020 Re-allocations and 2022 Re-allocations.
(b) general working capital of the Group					The Net Proceeds allocated to "General corporate purposes" are expected to be used on or before December 31, 2023.
Grand total:	approximately HK\$222.2 million	approximately HK\$133.4 million	approximately HK\$88.8 million	approximately HK\$88.8 million	

Notes:

1. The remaining Net Proceeds of approximately HK\$47.7 million previously allocated to "Games and Entertainment" will be re-allocated to "General corporate purposes" pursuant to the 2022 Re-allocations.
2. The total amount of Net Proceeds remained to be used for "General corporate purposes" in the sum of approximately HK\$47.7 million represents the Net Proceeds re-allocated from "Games and Entertainment" as stated in Note 1 above.

CONTINUING CONNECTED TRANSACTIONS (“CCTS”)

During the Three-Month Period, the Group entered into the following new CCTs, details of which were disclosed in compliance with the requirements of Chapter 20 of the GEM Listing Rules.

Payment of service fees in respect of MP Payment Related Services and Referral Services by Alipay Entities to Macau Pass

On July 13, 2022, the Company entered into a framework agreement (the “**MP Payment and Related Services Framework Agreement**”) with the Alipay Entities, pursuant to which the Company and the Alipay Entities may from time to time enter into or procure their respective subsidiaries to enter into specific execution agreements for the provision to each other of the services specified in the MP Payment and Related Services Framework Agreement (subject to the approval of the relevant regulatory authorities) for a term commencing from July 13, 2022 to December 31, 2023.

Ali Fortune, the controlling shareholder of the Company, is indirectly held as to 60% by Alibaba Holding and as to 40% by Ant Holdco. Ant Holdco is indirectly held by Alibaba Holding as to 33% of its equity interest. Alipay is a direct wholly-owned subsidiary, and Alipay Singapore is an indirect wholly-owned subsidiary, of Ant Holdco. Ant Bank is an indirect 66.7%-owned subsidiary of Ant Holdco and its other 33.3% equity interest is held by a 30% indirectly owned associated company of the Company. Ant Holdco and the Alipay Entities are associates of Alibaba Holding and hence members of the Alipay Entities Group are connected persons of the Company under the GEM Listing Rules. Accordingly, the entering into of the MP Payment and Related Services Framework Agreement and the continuing transactions contemplated thereunder between the Group and the Alipay Entities Group constitute CCTs for the Company under Chapter 20 of the GEM Listing Rules.

Set out below are those services specified in the MP Payment and Related Services Framework Agreement which are subject to the reporting, announcement and annual review requirements under Chapter 20 of the GEM Listing Rules:

(i) MP Payment Related Services

Macau Pass shall provide clearing and settlement services to the Alipay Entities Group via acquiring platforms of Alipay Entities outside Macau (including but not limited to Macau Pass participating as a business partner of the Alipay+ Solution for online or offline business scenarios) (the “**Alipay Acquiring Services**”) and foreign exchange settlement services related to its acquiring business in Macau to the Alipay Entities Group (the “**MP Acquiring Business Foreign Exchange Settlement Services**”, together with the Alipay Acquiring Services, are referred to as the “**MP Payment Related Services**” hereinafter).

The pricing basis of the service fees in respect of the Alipay Acquiring Services payable by the Alipay Entities Group to Macau Pass shall be within the range of 0.1% to 1.8% of the transaction amount, which are determined based on a number of factors, including but not limited to the countries, regions, industries of merchants involved in the cross-border transactions, the monthly transaction volume and whether the transaction is conducted online or offline, and shall be within the normal range of service fees payable by the Alipay Entities Group to other independent third party payment service providers.

The pricing basis of the service fees in respect of the MP Acquiring Business Foreign Exchange Settlement Services payable by the Alipay Entities Group to Macau Pass shall be within the range of 0.1% to 0.6% of the transaction amount, which are determined based on the actual business situation and shall be within the normal range of service fees payable by the Alipay Entities Group to other independent third party payment service providers.

(ii) Referral Services

Macau Pass shall provide users referral services to the Alipay Entities Group (including referral of individual customers and merchants) via online or offline channels, including but not limited to referring MPay users to open, authenticate and link new account at Ant Bank via MPay, and purchase or enter into deposits, loans or other financial products or services provided by Ant Bank (collectively, the “**Referral Services**”).

The service fee payable by the Alipay Entities Group to Macau Pass for successful account opening at Ant Bank shall be in the range of MOP50 to MOP300 for each new account of Ant Bank opened via the referral by Macau Pass. Where a user referred by Macau Pass has successfully purchased or entered into deposits, loans or other financial products or services provided by Ant Bank, the pricing basis of the Referral Services fees payable by the Alipay Entities Group to Macau Pass are determined based on the terms of the relevant specific execution agreements between the parties, the scope of the services, the scale and costs of the events or cooperation, which shall be within the range of 0.1% to 0.25% of the transaction amount as fund withdrawal handling fees for such services and shall be within the normal range of service fees chargeable by Macau Pass to other independent third party banks.

The annual caps of service fees payable by the Alipay Entities Group to the Group under the MP Payment and Related Services Framework Agreement are:

- HK\$11,250,000 for the period from March 24, 2022 to December 31, 2022 and HK\$12,300,000 for the year ending December 31, 2023 respectively in respect of the MP Payment Related Services; and
- HK\$1,750,000 for the period from July 13, 2022 to December 31, 2022 and HK\$7,280,000 for the year ending December 31, 2023 respectively in respect of the Referral Services.

The above annual caps of the service fees in respect of the MP Payment Related Services are determined primarily with reference to the expected demand of the Alipay Entities Group for such services during the term of the MP Payment and Related Services Framework Agreement, the rates of service fees charged by Macau Pass, and certain buffer for additional services that may be required by the Alipay Entities Group.

The above annual caps of the service fees in respect of the Referral Services are determined primarily with reference to the estimated number of users that may be referred to Ant Bank by Macau Pass who will successfully open an account with Ant Bank or purchase or enter into deposits, loans or other financial products or services provided by Ant Bank during the term of the MP Payment and Related Services Framework Agreement, the rates of service fees charged by Macau Pass, and the estimated average amount of deposit that each referred user will place in the account opened at Ant Bank.

As one or more applicable percentage ratios with respect to the highest annual cap of the service fees payable by the Alipay Entities Group to the Group for each of the MP Payment Related Services (which is inclusive of the services fees payable under the prior agreements in relation to the MP Acquiring Business Foreign Exchange Settlement Services) and the Referral Services under the MP Payment and Related Services Framework Agreement are more than 0.1% but all of them are less than 5%, the transactions under the MP Payment and Related Services Framework Agreement 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.

The Board considers that the transactions under the MP Payment and Related Services Framework Agreement will foster closer cooperation between the Group (in particular, Macau Pass) and the Alipay Entities Group in respect of the Group's business in Macau and Macau Pass' cross-border payment business outside Macau or in the Guangdong-Hong Kong-Macau Greater Bay Area, thereby enhancing the source of revenue of the Group. For details of these CCTs, please refer to the announcement of the Company dated July 13, 2022.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at September 30, 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required, (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

- a. Interests in Shares and restricted share units of the Company:

Name of Director	Number of Shares/restricted share units held			Approximate percentage held (Note 1)
	Personal interest	Corporate interest	Total	
Mr. Sun Ho	46,158,000 (Note 2)	2,006,250,000 (Note 3)	2,052,408,000	17.584%
Ms. Hu Taoye	384,000 (Note 4)	–	384,000	0.003%
Mr. Liu Zheng	–	–	–	0%
Mr. Li Jie (Appointed on April 28, 2022)	–	–	–	0%
Mr. Ji Gang	–	–	–	0%
Mr. Zou Liang	–	–	–	0%
Mr. Chow Siu Lui	–	–	–	0%
Mr. Feng Qing	375,000	–	375,000	0.003%
Dr. Gao Jack Qunyao	750,000	–	750,000	0.006%

Notes:

- Based on a total of 11,672,342,235 Shares in issue as at September 30, 2022.
- It represents 44,658,000 Shares and 1,500,000 restricted share units (granted under the Share Award Scheme) beneficially held by Mr. Sun Ho.
- These 2,006,250,000 Shares were held in the name of Maxprofit Global Inc. As Maxprofit Global Inc. is beneficially and wholly-owned by Mr. Sun Ho, the chairman, executive Director and CEO of the Company, Mr. Sun was deemed to be interested in such Shares.
- It represents 192,000 Shares and 192,000 restricted share units (granted under the Share Award Scheme) beneficially held by Ms. Hu Taoye.

- b. Long positions in shares and underlying shares of Alibaba Holding, an associated corporation of the Company within the meaning of Part XV of the SFO:

Name of Director	Capacity	Number of shares/ underlying shares held		Approximate percentage of issued shares of Alibaba Holding
		<i>(in the number of American Depository Shares ("ADS(s)") of Alibaba Holding) (Note 1)</i>	<i>(in the number of ordinary shares of Alibaba Holding) (Note 1)</i>	<i>(Note 2)</i>
Ms. Hu Taoye	<i>(Note 3)</i>	17,920	143,360	0.001%
Mr. Liu Zheng	<i>(Note 4)</i>	22,382	179,056	0.001%
Mr. Li Jie (Appointed on April 28, 2022)	<i>(Note 5)</i>	81,347	650,776	0.003%
Mr. Ji Gang	<i>(Note 6)</i>	10,235	81,880	negligible
Mr. Zou Liang	<i>(Note 7)</i>	2,540	20,320	negligible

Notes:

- One ADS of Alibaba Holding represents eight ordinary shares of Alibaba Holding; and one restricted share unit ("RSU(s)") of Alibaba Holding represents one ADS of Alibaba Holding.
- Based on a total of 21,180,285,568 ordinary shares of Alibaba Holding in issue as at September 30, 2022.
- The interest comprised 15,170 ADSs of Alibaba Holding and 2,750 RSUs of Alibaba Holding beneficially held by Ms. Hu Taoye.
- The interest comprised 11,882 ADSs of Alibaba Holding and 10,500 RSUs of Alibaba Holding beneficially held by Mr. Liu Zheng.
- The interest comprised 55,995 ADSs of Alibaba Holding and 25,352 RSUs of Alibaba Holding beneficially held by Mr. Li Jie.
- The interest comprised 7,039 ADSs of Alibaba Holding and 3,196 RSUs of Alibaba Holding beneficially held by Mr. Ji Gang.
- The interest comprised 1,505 ADSs of Alibaba Holding and 1,035 RSUs of Alibaba Holding beneficially held by Mr. Zou Liang.

- c. Long positions in shares and underlying shares of Alibaba Pictures Group Limited (“**Ali Pictures**”), an associated corporation of the Company within the meaning of Part XV of the SFO:

Name of Director	Capacity	Number of shares/ underlying shares of Ali Pictures held	Approximate percentage of total issued share capital of Ali Pictures (Note 1)
Mr. Zou Liang	(Note 2)	90,000	negligible
Mr. Li Jie	(Note 3)	45,280,836	0.17%

Notes:

1. Based on a total of 26,975,740,156 ordinary shares of Ali Pictures in issue as at September 30, 2022.
2. The interest comprised 90,000 ordinary shares of Ali Pictures beneficially held by Mr. Zou Liang.
3. The interest comprised 4,118,336 ordinary shares, 30,625,000 share options and 10,537,500 awarded shares of Ali Pictures beneficially held by Mr. Li Jie.

- d. Long positions in shares and underlying shares of Cainiao Smart Logistics Network Limited (“**Cainiao**”), an associated corporation of the Company within the meaning of Part XV of the SFO:

Name of Director	Capacity	Number of relevant class of shares/ underlying shares of Cainiao held		Approximate percentage of total issued share capital of Cainiao
		(class A ordinary shares)	(class B ordinary shares)	(Note)
Mr. Liu Zheng	Beneficial Owner	5,460,000	6,200,000	0.07%

Note:

As at September 30, 2022, the issued share capital of Cainiao was made up of 15,212,555,296 ordinary shares, 472,737,227 class A ordinary shares and 161,342,183 class B ordinary shares; Mr. Liu Zheng was interested in 5,460,000 class A ordinary shares and 6,200,000 class B ordinary shares, representing approximately 1.15% and 3.84% of the relevant class of shares in issue of Cainiao respectively, and was not interested in any other ordinary shares in issue of Cainiao.

Save as disclosed above, as at September 30, 2022, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at September 30, 2022, so far as was known to the Directors or chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group or held any option in respect of such shares and recorded in the register kept by the Company pursuant to section 336 of the SFO:

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

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

Notes:

1. Based on a total of 11,672,342,235 Shares in issue as at September 30, 2022.
2. Alibaba Investment Limited (“**AIL**”) and API Holdings Limited (“**API Holdings**”) hold 60% and 40% of the issued share capital of Ali Fortune, respectively.
3. Alibaba Holding holds 100% of the issued share capital of AIL.
4. API (Hong Kong) Investment Limited holds 100% of the issued share capital of API Holdings.
5. Shanghai Yunju Venture Capital Investment Co., Ltd. (formerly known as Shanghai Yunju Investment Management Co., Ltd.) (“**Shanghai Yunju**”) holds 100% of the issued share capital of API (Hong Kong) Investment Limited.
6. Ant Holdco holds 100% of the equity interests in Shanghai Yunju. Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (“**Junhan**”) and Hangzhou Junao Equity Investment Partnership (Limited Partnership) (“**Junao**”) together hold more than 50% of Ant Holdco’s total issued shares.

7. Hangzhou Yunbo Investment Consultancy Co., Ltd. (“**Yunbo**”) is the general partner of both Junhan and Junao, and is owned as to 34%, 22%, 22% and 22% by Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang, and Mr. Hu Simon Xiaoming respectively. Pursuant to a concert party agreement (the “**Concert Party Agreement**”) entered into between Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang, and Mr. Hu Simon Xiaoming, they have agreed on certain arrangements pertaining to their shareholdings in Yunbo. Pursuant to the SFO, since each of Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang, and Mr. Hu Simon Xiaoming is a party to the Concert Party Agreement, each of them is deemed to be interested in the Shares in which the other parties to the Concert Party Agreement are interested.
8. Each of AIL, Alibaba Holding, API Holdings, API (Hong Kong) Investment Limited, Shanghai Yunju, Ant Holdco, Junhan, Junao, Yunbo, Mr. Ma Yun, Mr. Jing Eric Xiandong, Ms. Jiang Fang, and Mr. Hu Simon Xiaoming are taken to be interested in an aggregate of 6,502,723,993 Shares by virtue of Part XV of the SFO.
9. As disclosed in the section headed “DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES” above, Mr. Sun Ho was deemed to be interested in these 2,006,250,000 Shares by virtue of his interest in Maxprofit Global Inc.
10. Rainwood Resources Limited is wholly-owned by Mr. Cheung Lup Kwan Vitor. Therefore, Mr. Cheung Lup Kwan Vitor is deemed to be interested in these 584,515,224 Shares under the SFO.

Save as disclosed above, as at September 30, 2022, the Directors and the chief executive of the Company were not aware of any other persons (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or was directly or indirectly interested in 5% or more of the issued voting shares of any other member of the Group or held any option in respect of such shares and recorded in the register kept by the Company pursuant to section 336 of the SFO.

INTERESTS OF OTHER PERSONS

As at September 30, 2022, apart from the interests in the Shares, underlying Shares and/or debentures of the Company and its associated corporations held by the Directors, chief executive and substantial shareholders of the Company disclosed above, there were no other persons with interests recorded in the register of the Company required to be kept under section 336 of the SFO.

INTERESTS IN COMPETING BUSINESS

Ali Fortune, the controlling shareholder of the Company, is indirectly owned as to 60% and 40% by Alibaba Holding and Ant Holdco respectively. Ant Holdco is indirectly held by Alibaba Holding as to 33% of its equity interest and is therefore a “close associate” (as defined in the GEM Listing Rules) of Ali Fortune. Ant Bank is a joint venture company incorporated under the laws of Macau which is held as to 66.7% by two indirect wholly-owned subsidiaries of Ant Holdco and as to 33.3% by a 30% indirectly owned associated company of the Company.

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

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

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

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

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely, Mr. Chow Siu Lui, Mr. Feng Qing and Dr. Gao Jack Qunyao. The Audit Committee is chaired by Mr. Chow Siu Lui. The Group’s condensed consolidated financial statements for the Nine-Month Period have not been audited by the Company’s auditor but have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

REQUIRED STANDARD OF DEALINGS REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for dealings in securities of the Company by the Directors (the “**Code of Conduct**”). The Company had made specific enquiry with all Directors and was not aware of any non-compliance with the required standard of dealings set out in the Code of Conduct during the Nine-Month Period.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS AND CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACTS", "NEW CCTS WITH EFFECT FROM JANUARY 1, 2022" and "CONTINUING CONNECTED TRANSACTIONS" in the annual report of the Company for the year ended December 31, 2021 and save for the business cooperation framework agreement dated September 10, 2021 entered into between the Company and the Alipay Entities in relation to the acquiring service business cooperation (as disclosed in the Company's circular dated October 29, 2021) and the MP Payment and Related Services Framework Agreement (as disclosed above), there were no contracts of significance (whether for the provision of services to the Group or not) to which the Company, any of its subsidiaries and the controlling shareholders (as defined in the GEM Listing Rules) or any of its subsidiaries was a party, at the end of the Nine-Month Period or at any time during the Nine-Month Period.

SHARE OPTION SCHEMES

All options granted under the share option scheme adopted by the Company on November 18, 2004 had lapsed in 2019.

During the Nine-Month Period, no options were granted by the Company pursuant to the 2014 Share Option Scheme and no options were exercised. All options granted under the 2014 Share Option Scheme had expired during 2020. As at September 30, 2022, there were no outstanding options granted by the Company pursuant to any share option scheme.

SHARE AWARD SCHEME

During the Nine-Month Period, 46,568,900 award Shares were granted to nine eligible persons, including one director of a subsidiary of the Company and eight employees, under the Share Award Scheme. During the Nine-Month Period, 22,213,500 award Shares were vested in the grantees and 4,680,000 award Shares were forfeited.

During the Nine-Month Period, 71,812,000 Shares were purchased on the Stock Exchange by the trustee of the Share Award Scheme. In the event that the Board elects to issue new Shares to satisfy any award Shares to be granted under the Share Award Scheme in the future, the maximum number of new Shares so issued shall be limited to 3% of the total issued Shares as at the Adoption Date (i.e. 315,426,263 Shares). The total number of issued Shares as at the Adoption Date was 10,514,208,770.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Nine-Month Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company.

DEFINITIONS

In this report, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“2014 Share Option Scheme”	the share option scheme of the Company adopted on December 23, 2014;
“Adoption Date”	March 17, 2017, being the date on which the Company adopted the Share Award Scheme;
“Ali Fortune”	Ali Fortune Investment Holding Limited, a company incorporated in the British Virgin Island 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);
“Alipay”	支付寶(中國)網絡技術有限公司 (Alipay.com Co., Ltd.*), a company established in the PRC, and a wholly-owned subsidiary of Ant Holdco;
“Alipay Entities”	Alipay, Alipay Singapore and Ant Bank;
“Alipay Entities Group”	the Alipay Entities together with their respective direct and indirect subsidiaries from time to time;
“Alipay Singapore”	Alipay Singapore Holding Pte. Ltd., a company incorporated in Singapore and an indirect wholly-owned subsidiary of Ant Holdco;
“Alipay+ Solution”	a global payments platform through which payment processing, clearing and settlement, and other services are provided by Ant Group;
“AMCM”	Autoridade Monetária de Macau (the Monetary Authority of Macao);
“Ant Bank”	Ant Bank (Macao) Limited, a joint venture company incorporated under the laws of Macau which is held as to 66.7% by two indirect wholly-owned subsidiaries of Ant Holdco and as to 33.3% by a 30%-indirectly owned associated company of the Company;
“Ant Group”	Ant Holdco and its subsidiaries;

“Ant Holdco”	螞蟻科技集團股份有限公司 (Ant Group Co., Ltd.) (formerly known as 浙江螞蟻小微金融服務集團股份有限公司(Ant Small and Micro Financial Services Group Co., Ltd.)), a company organized under the laws of the PRC;
“Board”	the board of Directors;
“CEO”	chief executive officer;
“Company” or “AGTech”	AGTech Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM;
“Convertible Bonds”	the convertible bonds of the Company issued to Ali Fortune under the Subscription;
“Director(s)”	the director(s) of the Company;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC;
“India”	The Republic of India;
“Macau”	the Macao Special Administrative Region of the PRC;
“Macau Pass”	Macau Pass S.A., a company incorporated under the laws of Macau and an indirect wholly-owned subsidiary of the Company;

“Macau Pass Group”	Macau Pass Holding Ltd. (an indirect wholly-owned subsidiary of the Company) and its subsidiaries (including Macau Pass)
“MOF”	the Ministry of Finance of China;
“MOP”	Macau patacas, the lawful currency of Macau;
“MPay”	the e-wallet operated by Macau Pass;
“PRC” or “China”	the People’s Republic of China which, for the purpose of this report, refers to Mainland China only;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company;
“Share Award Scheme”	the share award scheme of the Company adopted on March 17, 2017;
“Shareholder(s)”	holder(s) of the Share(s);
“Sports Lottery”	the national sports lottery of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription for 4,817,399,245 new Shares and Convertible Bonds of the Company in the aggregate principal amount of HK\$712,582,483 by Ali Fortune, which was completed on August 10, 2016;

“Taobao”	淘寶(中國)軟件有限公司 (Taobao (China) Software Co., Ltd.*), a company established under the laws of the PRC and a subsidiary of Alibaba Holding;
“Welfare Lottery”	the national welfare lottery of China; and
“%”	per cent.

Notes:

1. In this report, the exchange rates of HK\$1.1877 to RMB1.00 and MOP1 to HK\$0.9711 have been used for reference only.
2. The English translation of the Chinese company names in this report are included for reference only and should not be regarded as the official English translation of such Chinese company names.
3. In the event of any inconsistency, the English text of this report shall prevail over the Chinese text.

* For identification purposes only

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

Hong Kong, November 8, 2022

As at the date of this report, the Board comprises (i) Mr. Sun Ho and Ms. Hu Taoye as executive Directors; (ii) Mr. Liu Zheng, Mr. Li Jie, 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 report will remain on the “Latest Listed Company Information” page of the HKEXnews website operated by the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting and will be published on the website of the Company at www.agtech.com.