



AGTech Announces 2018 Annual Results

(Hong Kong, March 22, 2019) – AGTech Holdings Limited (“AGTech” or the “Company”, HKEX stock code:08279) today announced its annual results for the year ended December 31, 2018.

John Sun, Chairman and Chief Executive Officer of AGTech said, “2018 has been a challenging yet rewarding year for AGTech as we continue to realize the potential of being a part of the Alibaba family, we advanced our business on many strategic fronts. Over the past year, we continued to promote synergy by integrating our resources, identifying ways to leverage and complement Alibaba Group’s vast network and new retail initiative, putting in place the necessary business and commercial arrangements. Strategic initiatives such as lottery distribution within Alibaba’s retail channels, optimizing the lottery channels on mobile Taobao & Alipay, launch of our sports interactive casual product during the 2018 World Cup are all synergies we have managed to create within the Alibaba ecosystem. As the exclusive lottery platform of Alibaba Group and Ant Financial Group, we will continue to strengthen cooperation with other Alibaba Group’s networks, provide more innovated initiatives across different products, channels, technology and marketing campaigns to help expand the access and popularity of lottery, and thereby contributing to the healthy development of the lottery industry of PRC.”

“As a leading lottery manufacturer and supplier in China, our hardware division continues to support and work with China lottery authorities, with lottery terminals deployed in major provinces across China. Our technical research and development team will continue to bring innovative products to the market in enhancing experience for both lottery retail owners and customers. ”

“Gamepind, the mobile gaming platform launched by our overseas joint venture with PayTm Group, continues to be a strategic growth area for our company. Gamepind will continue to build on its growing user base, paving way to further commercial and monetization opportunities in capturing the growing market in India. Looking forward, we will continue to seek strong suitable local partners in selected international markets to further leverage our platforms of games and entertainment offerings to serve more customers globally in the future.”

“On the international front, AGTech participated in the 2018 World Lottery Summit held in Buenos Aires, Argentina as one of four Gold Contributors of the World Lottery Association (WLA). The WLA is committed to advancing the interests of state-authorized lotteries globally, adhering to the strictest standards of social responsibility, responsible gaming, security and risk management. We believe that this will affirm our contribution to the positive growth and development of lottery in China and around the world.”

“Importantly, we continued to invest in our future, laying the necessary foundation for our team, systems, technology and infrastructure to be well positioned towards our initiative to become a data technology company. As the exclusive lottery platform of Alibaba Group and Ant Financial Group, our ability to capture the opportunities as it relates to the potential resumption of online lottery distribution will be better than ever. Our games and entertainment teams will continue to develop additional interactive social and sports-related offerings. AGTech’s initiative as a data enabler through big data applications, which we expect to be witnessed in our upcoming co-operation with the Guangdong Sports Lottery Center on the construction of a comprehensive lottery network service platform, is the foundation that is required towards empowering digitization to our industry. We believe that our commitment to innovation, coupled with our perseverance and focus on the long term, will significantly reward our shareholders and their patience in the future.”

2018 Key Financial Highlights

- Revenue of the Group for 2018 amounted to approximately HK\$168.6 million representing a decrease of approximately 44.2% over 2017. Revenue contributions were mainly derived from lottery hardware, lottery games and systems, provision of distribution and ancillary services, games and entertainment business in the PRC.
- The decrease in revenue for the year was caused by a decrease of approximately HK\$86 million in revenue from the games and entertainment division and a decrease in sales of lottery hardware of approximately HK\$60.3 million, partially offset by an increase of approximately HK\$6.7 million in revenue from the lottery games and systems and an increase of approximately HK\$5.9 million in revenue from the provision of distribution and ancillary services.
- The profit for 2018 was approximately HK\$317 million (2017: loss of approximately HK\$370 million). The change from loss to profit for the year was mainly attributable to several non-cash and non-operating items relating to the fair value changes of convertible bonds and contingent consideration payables under the Score Value Transaction.
- In 2018, other operating expenses were approximately HK\$114 million (2017: approximately HK\$210 million), the decrease was primarily due to the decrease in expenses incurred in connection with the games and entertainment business.

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About AGTech Holdings Limited

AGTech was incorporated in Bermuda and its shares are listed on the GEM (Stock Code: 08279). AGTech is an integrated technology and services company engaged in the lottery and mobile games and entertainment market with a focus on China and selected international markets. A member of the Alibaba Group with around 400 employees, AGTech is the exclusive lottery platform of Alibaba Group and Ant Financial Group.

AGTech's businesses are broadly divided into two categories:

- Lottery (including hardware, games and systems, provision of distribution and ancillary services); and
- Games and Entertainment.

AGTech is a Gold Contributor of the World Lottery Association (WLA), an associate member of the Asia Pacific Lottery Association (APLA), and an official partner of the International Mind Sports Association (IMSA).

For more information, please visit www.agtech.com