



AGTech Announces Interim Results Ended June 30, 2021

(Hong Kong, August 10, 2021) – **AGTech Holdings Limited** (“AGTech” or the “Group”, HKEX stock code:08279), a leading integrated lottery, games and entertainment technology company in China, today announced its interim results for the six months ended June 30, 2021.

According to Ministry of Finance of the PRC figures, during the Six-Month Period, PRC lottery sales amounted to approximately RMB178.4 billion, representing an increase of approximately 44% over the corresponding period in 2020. Of this, Welfare Lottery amounted to approximately RMB67.7 billion, representing an increase of approximately 14% compared to the corresponding period in 2020. Sports Lottery achieved sales of approximately RMB110.7 billion, representing an increase of approximately 71% compared to the corresponding period in 2020.

During the Six-Month Period, the Group won ten lottery hardware tenders to supply lottery terminals to the SLACs in Guangxi Zhuang Autonomous Region, Fujian province, Jiangsu province, Hubei province, Sichuan province, Shandong province, Henan province and Hebei province of the PRC. These successful tenders further strengthened the Group’s top-tier position in China’s lottery hardware market and demonstrated the continued competitiveness of the Group’s lottery terminals.

In addition to lottery hardware supplies, expansion into other consumer sectors has continued to be a focus for the Group. 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, during the Six-Month Period, the Group has commenced the supply of non-lottery hardware (such as point-of-sale terminals) for use in the PRC retail sector.

The Group currently distributes lottery by expanding its physical lottery sales channels in China, which are retail sales outlets mostly operated by the Alibaba Group. During the Six-Month Period, the Group generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 142.6 % over the corresponding period in 2020. The Group made continuous efforts in expanding its network of collaborating retail sales outlets for lottery distribution with an increase of approximately 80% in the number of such outlets over the corresponding period in 2020.

A joint venture company of the Group with One97 Communications Limited continued to develop and operate its mobile games and entertainment platform, namely “Paytm First Games” in India during the Six-Month Period. 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 and fantasy sports games.

As announced by the Company on May 14, 2021, the Company executed a summary of terms of the same date in respect of a possible acquisition of the entire equity interests in certain companies within the same group which are principally engaged in the provision of electronic payment services outside Hong Kong. Up to now, the Group is still in the process of negotiating the Possible Acquisition and no definitive agreement in relation to the Possible Acquisition has been entered into by the Group.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Six-Month Period amounted to approximately HK\$77.9 million, representing an increase of approximately 77.6% over the corresponding period in 2020. Revenue contributions were

mainly derived from lottery hardware, provision of lottery distribution and ancillary services, non-lottery hardware in the PRC, and games and entertainment business in India.

- The increase in revenue for the Six-Month Period was caused by the increase in sales of lottery hardware of approximately HK\$27.3 million, increase of approximately HK\$12.3 million in revenue from the provision of lottery distribution and ancillary services, increase in sales of non-lottery hardware of approximately HK\$8.7 million and increase in revenue from games and entertainment business of approximately HK\$9.0 million, partially offset by the decrease in revenue of approximately HK\$23.3 million from the lottery games and systems business.

- Such increases in revenue from lottery hardware and provision of lottery distribution and ancillary services were mainly due to the continuous rebound of the Group's lottery business from the impact of the COVID-19 pandemic since the second half of 2020 and throughout the Six-Month Period. In particular, the increase in revenue from the provision of lottery distribution services was due to the increase in average lottery sales volume per sales outlet and the continuous efforts of the Group in expanding its network of collaborating retail sales outlets for lottery distribution. In addition, the Group has commenced supplying non-lottery hardware (including point-of-sale terminals) during the Six-Month Period, further broadening its source of revenue.

- The increase in revenue from games and entertainment business was caused by an increase in content provision revenue from the Paytm First Games platform in India.

- The decrease in revenue from lottery games and systems was due to the cessation of the sales of two virtual sports lottery games supplied by the Group, namely, "e-Ball Lottery" and "Lucky Racing", from November 1, 2020 and February 9, 2021 respectively.

- The loss for the Six-Month Period was approximately HK\$43.7 million, representing a decrease of approximately 60.2% over the corresponding period in 2020.

-END-

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. As a member of the Alibaba Group, AGTech is the exclusive lottery platform of Alibaba Group and Ant Group.

AGTech's businesses are broadly divided into three categories:

- Lottery:
 - (i) lottery hardware
 - (ii) lottery distribution and ancillary services
- Games and entertainment; and
- Non-lottery hardware

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