



AGTech Announces First Quarterly Results For the Three Months Ended March 31, 2020

(Hong Kong, May 11, 2020) – **AGTech Holdings Limited** (“AGTech” or the “Group”, HKEX stock code:08279), a leading integrated lottery, games and entertainment technology company in China, today announced the first quarterly results for the three months ended March 31, 2020.

According to Ministry of Finance of the PRC figures, during the Three-Month Period, lottery market recorded sales of approximately RMB37.7 billion, a decrease of approximately 64.5% compared to the corresponding period in 2019. Of this, Welfare Lottery amounted to approximately RMB18.06 billion, representing a decrease of approximately 63.2% compared to the corresponding period in 2019. The Sports Lottery achieved sales of approximately RMB19.65 billion, representing a decrease of approximately 65.7% compared to the corresponding period in 2019. Other than the closure of national lottery market during Chinese Lunar New Year, the drop in sales was mainly due to the impact of the COVID-19 outbreak while the business hours of lottery sales outlets were significantly reduced. The Group is closely monitoring the latest development and impact of the COVID-19.

AGTech will continue to leverage on and explore opportunities for collaboration with Alibaba Group’s retail ecosystem to enhance on lottery distribution models where appropriate. The Group also anticipates a gradual rollout of our SaaS (Software-as-a-Service) platform aiming to serve and benefit users from all sectors within the lottery supply chain. Our platform 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.

AGTech’s Hardware division primarily supplies the Sports Lottery and the Welfare Lottery and has hardware deployed in multiple provinces, cities, municipalities and autonomous regions across China. The Group will continue to pursue tenders to supply to the lottery and other hardware market and bid for new contracts after resumption of tenders post COVID-19 delays.

Paytm First Games, a joint venture of the Group with One97 Communications Limited continued to develop its mobile games and entertainment platform in India, offers players a unique online experience with popular games content such as social games, card games and fantasy sports games. The Group is hopeful that Paytm First Games will continue to grow its user base, paving the way to monetize this unique

platform, thus capitalizing on the significant potential of the fast growing mobile games and entertainment market in India.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Three-Month Period amounted to approximately HK\$13.7 million, representing a decrease of approximately 32.2% over the corresponding period in 2019. Revenue contributions were mainly derived from lottery hardware, lottery games and systems, provision of lottery distribution and ancillary services, games and entertainment business in the PRC.
- The decrease in revenue for the Three-Month Period was primarily caused by the decrease in sales of lottery hardware of approximately HK\$3.4 million, decrease of approximately HK\$1.5 million in revenue from the provision of lottery distribution and ancillary services, and decrease of approximately HK\$1.2 million from the lottery games and systems.
- Such decrease in revenue was mainly due to the prolonged closure of domestic lottery market which lasted nearly 40 days and delay in lottery hardware tender and delivery as a result of the COVID-19 pandemic. Under the market closure arrangements for Chinese Lunar New Year, the PRC's lottery market was closed from 22 to 31 January 2020 and was originally scheduled to resume sales on 1 February, 2020. Amidst prevention and control of the pandemic, reopening of the PRC's lottery market was postponed to 11 March 2020, since then sales of welfare lottery and sports lottery have begun to gradually resume subject to different arrangements in different regions.
- The loss for the Three-Month Period was approximately HK\$64.6 million, representing a decrease of approximately 9.0% over the corresponding period in 2019.

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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 360 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