



## **AGTech Announces Third Quarterly Results Ended September 30, 2023, Revenue Increases 80% Year-on-Year**

(Hong Kong, November 8, 2023) – AGTech Holdings Limited (“AGTech” or the “Group”, HKEX stock code: 8279) today announced its third quarterly results for the nine months ended September 30, 2023.

### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the Nine-Month Period amounted to approximately HK\$447 million, representing an increase of approximately 80.8% over the corresponding period in 2022. For the Nine-Month Period, revenue contributions were mainly derived from provision of electronic payment and related services in Macau of approximately HK\$280.4 million and lottery and related business of approximately HK\$167.3 million.
- The profit for the Nine-Month Period was approximately HK\$26.7 million (Nine months ended September 30, 2022: loss of approximately HK\$124.6 million). The change from operating loss to profit was mainly due to: (1) the increase in revenue from the provision of electronic payment services in Macau and the Group's lottery and related businesses; (2) the increase in net finance income.

### **BUSINESS REVIEW**

#### **Electronic Payment and Related Business**

An indirect wholly-owned subsidiary of the Group, Macau Pass, is a leading payment service provider in Macau and an “other financial institution” licensed under Autoridade Monetaria de Macau. It is principally engaged in contactless payment card and ancillary services, e-wallet services and acquiring services. As the most common contactless smart card for payments in Macau, there are currently more than 4.5 million cumulative Macau Pass Cards in issuance.

According to the “Macao Economic Bulletin (2nd Quarter/2023)” of the Statistics and Census Service of the SAR government of Macau, the Macau economy recorded a year-on-year real growth of 117.5% in the second quarter of 2023, mainly benefited from the export of services. In the second quarter, the overall export of services increased by 211.9% year-on-year, inbound passengers increased by 321.7%, and total passenger consumption increased by 354.6% year-on-year.

In August 2023, Macau Pass has partnered with Alipay+ to expand the coverage of the cross-border payment business of MPay to overseas countries including the United Arab Emirates, the United Kingdom, Switzerland, the European Economic Area countries (such as France, Germany and Italy), Australia, New Zealand, Qatar, Singapore, Malaysia, South Korea, Japan, the Philippines, Thailand and the United States of America, which is planned to be launched at the end of this year. The expanded cross-border payment coverage of MPay will enhance the e-payment experience of MPay users when travelling overseas and diversify the Group’s sources of revenue.

In September 2023, a new payment service allowing Macau residents, who are users of MPay with real name authentication, to use MPay in Chinese Mainland and Hong Kong was launched by Macau Pass. The new service serves to provide Macau residents with a more convenient electronic payment experience outside of the Macau region, thereby enabling a one-stop payment service from local to cross-border spending and creating a cross-border electronic payment ecosystem for the users of MPay.

## **Lottery and Related Business**

The Group is one of the leading suppliers in China of lottery terminals. During the Nine-Month Period, the Group won multiple lottery hardware tenders to supply lottery terminals to the Sports Lottery Administration Centres in Anhui Province, Chongqing Municipality, Hubei Province, Hunan Province, Sichuan Province, Guizhou Province, Hainan Province, Zhejiang Province, Jiangsu Province, Shanghai Municipality, Fujian Province and Guangdong Province of the PRC. The Group will continue to pursue tenders to supply to the lottery and other hardware markets.

During the Nine-Month Period, the Group generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 68% over the corresponding period in 2022. Such increase was mainly attributable to lottery sales resumed after the outbreak ended, the increase in average lottery sales volume per sales outlet and the Group's continuous efforts in expanding its network of collaborating retail sales outlets for lottery distribution with an increase of approximately 10% in the number of such outlets over the corresponding period in 2022.

## **Lifestyle, Games and Entertainment, Marketing Technical Services and E-Commerce**

Macau'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 the life of consumers. On the entertainment front, as tourism resumed in Macau post-COVID 19, concert activities had seen burgeoning growth in the city.

The Group has been active in building its online presence and customer-base through various online channels. The Group provides ticket sales and promotional support for live performances, concerts, cinemas, exhibitions and other entertainment, sports and cultural events. Providing marketing services and convenient payment experience will be beneficial for the Group to participate in the cultural and entertainment market.

In July 2023, Macau Pass won the tender awarded by a government authority in Macau to be one of the suppliers for the provision of SMEs backend digitalization support services in Macau. These services will enable SMEs to conduct online marketing, transactions and settlement by providing different industry solutions, thereby assisting SMEs in digital operation, optimizing business management and supporting the digitalization transformation and development of the Macau economy.

To encourage local consumption to benefit SMEs in the community, Macau Pass joined hands with MGM to launch the "MGM x MPay Community Consumption Reward" from July 15 to 31, 2023. More than 6,000 merchants benefited from this activity, of which more than 90% were SMEs, and the prizes drove more than 60,000 secondary consumption deals for more than 3,000 merchants, creating an additional substantial transaction volume and bringing practical economic benefits to SMEs in the community.

In August 2023, in order to promote the community consumption cycle and attract customers for SMEs, Macau Pass launched the "Summer Consumption Reward" activity for the period from August 8 to September 22, which was suitable for catering and retail businesses with more than one million prizes. During the promotion period, users can enter the activity page multiple times to participate in the lucky draw. To stimulate the consumption desire of tourists and citizens, the more they consume, the more chances they get for participating in the lucky draw. The activity promotes the development of domestic market, assists SMEs to increase their business volume, and helps further development of the real economy in Macau.

## **BUSINESS OUTLOOK**

The Group is committed to enabling consumers and small businesses with access to technology and sustainable payment experiences. Through enhancing infrastructure and platform, the Group will continue to work closely with the government of Macau to help enterprises to provide tourists with more convenient multi-scene services, and support Macau's economic recovery and growth.

The Group will also explore on strategic cooperation with Alibaba Group and Ant Group to further develop and create more diverse business scenarios within the e-commerce and digital media and entertainment landscape; provide support for more electronic payment tools from overseas countries and regions to further facilitate the consumption of visitors to Macau, exploring commercialization opportunities within the Macau electronic payment ecosystem and cultural and entertainment market.

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### **About AGTech Holdings Limited**

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, lifestyle, games and entertainment, marketing technical services, e-commerce and non-lottery hardware supply markets with a focus on Chinese Mainland 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) 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;
- (ii) Lottery:
  - (a) lottery hardware sales;
  - (b) lottery distribution through physical channels and ancillary services;
- (iii) Lifestyle, games and entertainment, marketing technical services and e-commerce; and
- (iv) Non-lottery hardware supply (including sales and leasing).

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

For more information, please visit [www.agtech.com](http://www.agtech.com)