



AGTech Announces 2022 Annual Results: Diversified Businesses Striving for the Future

(Hong Kong, March 23, 2023) – AGTech Holdings Limited (“AGTech” or the “Group”, HKEX stock code: 8279) today announced its final results for the year ended December 31, 2022.

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 is an “other credit institution” licensed under Autoridade Monetaria de Macau (“AMCM”). It is principally engaged in payment card and ancillary services, e-wallet services and acquiring services.

According to the statistics of the AMCM, the number of mobile payment transactions in Macau increased from approximately 193 million in 2021 to approximately 266 million in 2022, representing a year-over-year increase of approximately 37.8%. In addition, the total transaction value rose from approximately MOP18.52 billion in 2021 to approximately MOP25.86 billion in 2022, representing a year-over-year increase of approximately 39.6%.

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”. The government’s support to electronic payment has contributed to the digital transformation of Macau and the development of Macau’s electronic payment market.

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.

As one of the eight locally-registered mobile payment platforms, registered users of Macau Pass’ MPay account for over 90% of local residents. In response to the latest round of economic stimulus by the government of Macau, as one of the leading mobile payment e-wallets in Macau, 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.

In November 2022, MPay cooperated with Alipay+ (a suite of global cross-border digital payment and marketing solutions launched by Ant Group) and has officially become a payment partner of Taobao (Macao) to provide electronic payment services to its users. Residents in Macau and other registered users who are not Mainland Chinese residents can now use MPay to make payments in Macau patacas directly when shopping online with Taobao (Macao).

The Group has launched a series of initiatives and events throughout the year, such as providing online ticketing payment services to the finale of “Street Dance of China Season 5”, which was held in Macau on October 29, 2022. Providing marketing services and convenient payment experience will be beneficial for the Group to participate in the cultural and entertainment market. MPay will continue to explore on strategic cooperation with the Alibaba Group and Ant Group to further develop 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.

Lottery and Related Business

During 2022, 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, Inner Mongolia Autonomous Region, Guangdong province and Fujian province of the PRC. The Group will continue to pursue tenders to supply to the lottery and other hardware markets.

The Group also generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 58% 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 23% in the number of such outlets over the corresponding period in 2021.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for 2022 amounted to approximately HK\$351.4 million, representing an increase of approximately 38.8% over the corresponding period in 2021. For the year under review, revenue contributions were mainly derived from lottery and related business of approximately HK\$171.2 million and provision of electronic payment services in Macau of approximately HK\$180.2 million.
- 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\$176.7 million was consolidated into the Group's results with effect from March 24, 2022.
- The decrease in revenue from lottery and related businesses by approximately HK\$82.0 million is mainly due to the decrease in Sports Lottery's tenders for android terminal in 2022 and the delay in lottery hardware tender and delivery as a result of the outbreak of epidemic in Mainland China in late 2022.
- In response to AMCM's guidance, Macau Pass had rebated the transaction handling fees charged to small and medium enterprises of approximately HK\$38.8 million since March 24, 2022.
- Operating loss for the year was approximately HK\$129.7 million. Such increase in operating loss was mainly due to a combination of factors: (i) the increase in total revenue of the Group (offset by the related costs and expenses); (ii) a foreign exchange loss of approximately HK\$23.1 million for the year under review; and (iii) the increase in the depreciation and amortization expenses by approximately HK\$46.0 million to approximately HK\$66.6 million for the year.

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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, 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 World Lottery Association (WLA) and the Asia Pacific Lottery Association (APLA).

For more information, please visit www.agtech.com