



AGTech Announces Interim Results For The Six Months Ended June 30, 2020

(Hong Kong, August 10, 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 interim results for the six months ended June 30, 2020.

According to MOF figures, during the Six-Month Period, lottery market recorded sales of approximately RMB123.9 billion, a decrease of approximately 41.7% 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 Novel Coronavirus (“COVID-19”) outbreak while the business hours of lottery sales outlets were significantly reduced. Lottery sales activities have since resumed in March 2020, and the Group will continue to closely monitor the latest development and recovery post pandemic.

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. During the Six-Month Period under review, the Group won five lottery hardware tenders to supply lottery terminals to the SLACs in Anhui province, Shanxi province, Jilin province, Hubei province and Guizhou province of the PRC. 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.

Transition to new retail models presents a great opportunity for the further development of the Group’s hardware business. Many of the hardware supplies required under such new retail concept share similar technology and components that underlie the lottery hardware products supplied by the Group throughout the years. We believe our hardware division continues to be well positioned to take advantage of such opportunities in the foreseeable future.

The Group continues to operate the lottery channel on mobile Taobao and mobile Alipay to serve as a one-stop platform on lottery related information for existing and potential customers. With the recent addition of sporting content and sports intelligence services to our lottery channel, we expect to roll out further engagement features and tools to improve user experience and engagement. From a lottery products point of view, we have identified instant scratch lottery games to be an important product initiative for the coming year, as we will be dedicating resources to open up this market within the lottery sector.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Six-Month Period amounted to approximately HK\$43.9 million, representing a decrease of approximately 8.0% 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 Six-Month Period was primarily caused by the decrease in sales of lottery hardware of approximately HK\$6.6 million and decrease of approximately HK\$1.0 million in revenue from games and entertainment division, partially offset by an increase of approximately HK\$4.6 million from the lottery games and systems.
- The decrease in revenue from hardware business was due to slower tendering processes and hardware deliveries in several provinces as compared to the corresponding period in 2019 as a result of the COVID-19 pandemic. The increase in revenue from the lottery games and systems was caused by the increase in sales volume from the virtual sports lottery games in the second quarter of 2020 after the reopening of PRC lottery market.
- Operating loss for the Six-Month Period was approximately HK\$105.6 million, representing a decrease of approximately 12.1% 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 340 employees, AGTech is the exclusive lottery platform of Alibaba Group and Ant 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