



AGTech Announces Third Quarterly Results For the Nine Months Ended September 30, 2019

(Hong Kong, November 13, 2019) – 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 third quarterly results for the nine months ended September 30, 2019.

“We are pleased to announce that the Group continued to capitalize on many core business opportunities in the lottery and games & entertainment sectors, providing innovative and high-quality products and services to the industry, and continue to establish the foundation for future growth opportunities,” said **John Sun, Chairman and Chief Executive Officer of AGTech**.

“During the Nine-Month Period, the Group won eleven lottery hardware tenders to supply lottery terminals to the SLACs in Tianjin, Hainan, Guangxi, Guizhou, Anhui, Beijing, Guandong, Jiangsu, Heilongjiang, Zhejiang of the PRC. This demonstrates the Group’s continued industry leading position and commitment in China’s lottery hardware market.”

“The Group will continue to leverage and explore on collaboration with Alibaba Group’s retail ecosystem to enhance on lottery distribution models where appropriate. Current retail networks include Lingshoutong, Alibaba’s mom-and-pop convenience stores, rural Taobao, the physical network of rural locations in China, and Cainiao Post, community-based pick-up drop-off physical stations. We believe that the integration of lottery services and products through Alibaba’s physical new retail distribution channel and networks under new retail strategy will continue to create opportunities in the future.”

“Paytm First Games (formerly known as “Gamepind”), a mobile games and entertainment platform of the joint venture of the Group with One97 Communications Limited in India, launched a dedicated cricket channel in March and fantasy cricket in May. The Group expects that Paytm First Games will continue to build its user base, paving the way to monetize this unique platform, thus capitalizing on the significant potential of the fast growing mobile entertainment market in India.”

“With regards to our investment relating to the formation of Ant Bank (Macao) Limited (formerly known as “Xinghui Bank Limited”), the Group’s increase in share capital contribution to the JV Company demonstrates our commitment to grow the business and pursue further development opportunities in Macau and overseas.”

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Nine-Month Period amounted to approximately HK\$118.1 million representing a decrease of approximately 8.9% over the corresponding period in 2018. 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 Nine-Month Period was primarily caused by the decrease in sales of lottery hardware of approximately HK\$14.5 million. The supply of lottery hardware in the PRC is highly correlated with the replacement cycle of lottery hardware for lottery authorities. The decreases in revenue were partially offset by an increase of approximately HK\$6.1 million in revenue from the lottery games and systems.
- The loss for the Nine-Month Period was approximately HK\$73.1 million (Nine months ended September 30, 2018: profit of approximately HK\$234.5 million). The change from profit to loss for the Nine-Month Period was mainly attributable to several non-cash and non-operating items relating to the fair value changes of the Convertible Bonds and the contingent consideration payables under the Score Value Transaction.

• During the Nine-Month Period, other operating expenses were approximately HK\$57.8 million (Nine months ended September 30, 2018: approximately HK\$86.2 million). The decrease was primarily due to the decrease in marketing and various operating expenses.

-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. 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