



AGTech Announces 2020 Final Results

(Hong Kong, 23 March 2021) – AGTech Holdings Limited (“AGTech” or the “Group”, HKEX stock code:08279), a leading integrated lottery, games and entertainment technology company in China, today announced its final results for the year ended 31 December 2020.

According to Ministry of Finance of the PRC figures, PRC annual lottery sales in 2020 amounted to approximately RMB333.95 billion, representing a decrease of approximately 20.9% over 2019. Of this, Welfare Lottery amounted to approximately RMB144.48 billion, representing a decrease of approximately 24.4% compared to 2019. The Sports Lottery achieved sales of approximately RMB189.46 billion, representing a decrease of approximately 17.9% compared to 2019.

On 23 October 2020, the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sport of the PRC jointly announced the Joint Notice in relation to the proposed cessation of the sales of quick-draw welfare lottery games (福利彩票快開遊戲) and high frequency sports lottery games (體育彩票高頻遊戲) from 1 November 2020 and after the Chinese New Year of 2021. Accordingly, the sales of “Lucky Racing” and “e-Ball Lottery” had ceased with effect from their respective effective dates. For the full year, the revenue attributed to Virtual Sports Lottery Games was approximately HK\$46.3 million, representing approximately 28.6% of the total revenue of the Group.

AGTech’s Hardware division primarily supplies terminals to the Sports Lottery and the Welfare Lottery and has hardware deployed in multiple provinces, cities, municipalities and autonomous regions across China. In 2020, the Group won 16 lottery hardware tenders to supply lottery terminals to the SLACs in Anhui, Shanxi, Hubei, Jilin, Guizhou, Tianjin, Inner Mongolia, Hebei, Fujian, Sichuan, Zhejiang, Henan and Shaanxi provinces of the PRC, accounting for over 21% of the overall sports lottery traditional terminal tenders in China during the same period, calculated by the number of terminals. We did especially well in new android sports lottery terminal tenders in China, winning over 66% of such tenders during the same period, calculated by the number of terminals. These winnings further strengthened the Group’s top-tier position in China’s lottery hardware market and demonstrated the continued competitiveness of the Group’s lottery terminals. The Group will continue to pursue tenders to supply to the lottery and other hardware markets and bid for new contracts as tenders resume post COVID-19 delays.

The Group will proactively transform and build on our leading position within the Chinese lottery industry. As the exclusive lottery business platform of Alibaba Group and Ant Group, we expect to further align and benefit from synergies created through cooperation with Alibaba Group and Ant Group. 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. We aim to roll out further engagement features and tools through innovation to improve user experience and engagement.

We will continue to partner with additional provincial lottery authorities of China in areas such as technology and business innovation, channel expansion and distribution, smart hardware terminals, data services, and other value added ancillary services. Transformation towards digitalization will continue, as our lottery solutions will enhance synergy and create value to the lottery industry chain.

The Group is also leveraging on our existing products and technology to innovate and improve on digitalization of sporting content. Building off the successful launch of our fantasy sports products on the Paytm First Games platform in India, we will continue to seek strong suitable partners in selected

international markets to leverage on our platforms of games and entertainment offerings, as well as technical and operation abilities to further our B2B business segment.

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the year amounted to approximately HK\$161.6 million, representing a decrease of approximately 7.7% 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 year was primarily caused by the decrease in sales of lottery hardware of approximately HK\$31.4 million, partially offset by an increase of approximately HK\$8.8 million from games and entertainment business and increase of approximately HK\$6.2 million from the provision of lottery distribution and ancillary services.
- The decrease in revenue from hardware business was due to a significant decrease in total national lottery hardware tenders during the year, slower tendering processes and hardware deliveries as compared to the corresponding period in 2019 as a result of the COVID-19 pandemic. The increase in revenue from games and entertainment business was caused by increase in content provision revenue from the Paytm First Games platform in India.
- Operating loss for the year was approximately HK\$131.1 million, representing a decrease of approximately 32.7% over 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. As a member of the Alibaba Group, 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