



AGTech Announces 2019 Final Results

(Hong Kong, March 20, 2020) – AGTech Holdings Limited (“AGTech” or the “Company”, HKEX stock code:08279) today announced its final results for the year ended December 31, 2019.

John Sun, Chairman and Chief Executive Officer of AGTech said, “In 2019, our overall business continues to evolve and transform, both domestically and on the international front, to deliver a more sustainable and commercially viable business model. In a year which saw sales in the Chinese lottery sector decrease by approximately 17.5% compared to last year, the group stands strong and continues to work responsibly according to regulatory requirements, and at the same time explore on innovative measures towards development of the industry. As witnessed by our blockchain application project and augmented reality (AR) driven marketing campaign throughout 2019, we continue to lay the necessary foundation for our team, systems, technology and infrastructure to be well positioned towards our digitalization initiatives.”

“Our hardware division continues to bring innovative products to the market and maintain our position as a leading lottery hardware supplier. As we enter the era of 5G and the Internet of Things, our goal to implement and utilize smart technology applications to more retail shops under the Alibaba Group’s network will continue. The Group would like to congratulate Jiangsu province’s e-Ball Lottery in reaching RMB10 billion in total sales since its initial launch in 2013. This is a remarkable achievement, and we will continue to work closely with the provincial team to ensure smooth operations and promote responsible lottery to the community.”

“We anticipate to roll out our full suite of lottery solutions, including our SaaS (Software-as-a-Service) lottery delivery platform, a fully integrated digital platform that is tailored to serve both business and customers to refine on user experience on all fronts. Aligning to the Alibaba Group’s overriding new retail initiative, our platform will further enhance synergy by integrating hardware, software, and data to open up distribution channels, in addition to a potential new commercial model.”

“Paytm First Games (formerly known as Gamepind), our mobile gaming joint venture in India, will remain to be a key focus and driver for AGTech on the international front. In view of the success of our fantasy sport products in 2019, we will continue to serve as technical service provider to Paytm First Games’

sporting content. Supporting and grooming the platform to become a market leader in India has always been a mission to the Group. Our games and entertainment division will continue to develop and roll out engagement games for commercialization, and will also look for expansion opportunities in other selected international markets as well.”

2019 Key Financial Highlights

- Revenue of the Group for the year under review amounted to approximately HK\$175.1 million, representing an increase of approximately 3.9% over 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 increase in revenue for the year was primarily caused by the increase in revenue from the lottery games and systems of approximately HK\$9.3 million and increase in sales from lottery hardware of approximately HK\$2.7 million, partially offset by the decrease of approximately HK\$6.3 million in revenue from the provision of lottery distribution and ancillary services.
- Operating loss for the year was approximately HK\$194.9 million (2018: approximately HK\$262.0 million), representing a decrease of approximately 25.6% over 2018.
- The loss for the year under review was approximately HK\$113.6 million (2018: profit of approximately HK\$317.1 million). The change from profit to loss for the year 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 year under review, other operating expenses were approximately HK\$77.5 million (2018: approximately HK\$114.7 million). The decrease was primarily due to the decreases in share-based payments for other eligible participants of approximately HK\$12.2 million, legal and professional fees of approximately HK\$7.7 million, marketing expenses of approximately HK\$6.6 million and operating expenses related to lottery distribution of approximately HK\$5.2 million.

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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 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