



## **AGTech Announces Second Interim Results Ended December 31, 2023, Revenue Increases 69% Year-on-Year**

(Hong Kong, February 23, 2024) – AGTech Holdings Limited (“AGTech” or the “Group”, HKEX stock code: 8279) today announced its second interim results for the twelve months ended December 31, 2023.

### **FINANCIAL HIGHLIGHTS**

- Revenue of the Group for the 12-Month Period amounted to approximately HK\$596 million, representing an increase of approximately 69.7% over the corresponding period in 2022. For the 12-Month Period, revenue contributions were mainly derived from provision of electronic payment and related services in Macau of approximately HK\$362 million and lottery and related business of approximately HK\$233 million.
- EBITDA of the Group for the 12-Month Period was approximately HK\$39.5 million (Twelve months ended December 31, 2022: Negative EBITDA of approximately HK\$37.7 million). The profit for the 12-Month Period was approximately HK\$29 million (12 months ended December 31, 2022: loss of approximately HK\$131 million). The change from operating loss to profit was mainly due to: (1) the increase in total revenue; (2) the increase in net finance income.

### **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 an “other financial institution” licensed under Autoridade Monetaria de Macau. It is principally engaged in contactless payment card and ancillary services, e-wallet services and acquiring services. As the most common contactless smart card for payments in Macau, there are currently more than 4.8 million cumulative Macau Pass Cards in issuance.

According to the "Macao Economic Bulletin (3rd Quarter/2023)" of the Statistics and Census Service of the SAR government of Macau, the Macau economy recorded a year-on-year real growth of 116.1% in the third quarter of 2023, mainly benefited from the export of services. In the third quarter, the overall export of services increased by 284.1% year-on-year and total passenger consumption increased by 576.7% year-on-year. Annual visitor arrivals of Macau exceeded 28 million, a year-on-year increase of 3.9 times.

In August 2023, Macau Pass has partnered with Alipay+ to expand the coverage of the cross-border payment business of MPay to overseas countries including the United Arab Emirates, the United Kingdom, Switzerland, the European Economic Area countries (such as France, Germany and Italy), Australia, New Zealand, Qatar, Singapore, Malaysia, South Korea, Japan, the Philippines, Thailand and the United States of America, which is planned to be launched at the end of this year. The expanded cross-border payment coverage of MPay will enhance the e-payment experience of MPay users when travelling overseas and diversify the Group’s sources of revenue.

In September 2023, a new payment service allowing Macau residents, who are users of MPay with real name authentication, to use MPay in Chinese Mainland and Hong Kong was launched by Macau Pass. The new service serves to provide Macau residents with a more convenient electronic payment experience outside of the Macau region, thereby enabling a one-stop payment service from local to cross-border spending and creating a cross-border electronic payment ecosystem for the users of MPay.

In 2023, Macau Pass commenced to provide acquiring services to Alipay+ partners' e-wallets such as GCash (the Philippines), Touch 'n Go eWallet (Malaysia), TrueMoney (Thailand), Tinaba (Italy), OCBC (Singapore), Changi Pay (Singapore), Public Bank (Malaysia), Toss Pay (South Korea), NAVER Pay (South Korea) and Hipay (Mongolia). This means, in addition to Alipay in Chinese Mainland, AlipayHK, WeChat Pay and other e-wallets launched by other banks in Macau, Macau Pass payment devices can now also accept payments from the aforesaid ten overseas leading e-wallets respectively, following South Korea's Kakao Pay. Through the cooperation with Alipay+, the innovative one-stop payment solution will accelerate the digital transformation of local merchants in Macau, create a connected international digital payment ecosystem for Macau, solve the problem of cross-border payment for international tourists, and help small and medium-sized enterprises ("SMEs") find new business growth opportunities.

### **Lottery and Related Business**

The Group is one of the leading suppliers in China of lottery terminals. In 2023, the Group won multiple lottery hardware tenders to supply lottery terminals to the Sports Lottery Administration Centres in Anhui Province, Chongqing Municipality, Hubei Province, Hunan Province, Sichuan Province, Guizhou Province, Hainan Province, Zhejiang Province, Jiangsu Province, Shanghai Municipality, Fujian Province, Guangdong Province, Shandong Province and Tianjin Municipality of the PRC. The Group will continue to pursue tenders to supply to the lottery and other hardware markets.

During the 12-Month Period, the Group generated revenue from the distribution of lottery through retail sales outlets, representing an increase of approximately 57% over the corresponding period in 2022. Such increase was mainly attributable to lottery sales resumed after the outbreak ended, the increase in average lottery sales volume per sales outlet and the Group's continuous efforts in expanding its network of collaborating retail sales outlets for lottery distribution with an increase of approximately 12% in the number of such outlets over the corresponding period in 2022.

### **Local Consumer Services Business: Lifestyle, Games and Entertainment, Marketing Technical Services and E-Commerce**

Macau's digital adaption in the consumer sector, especially in the e-commerce space, has seen significant and continued growth in recent years. With the emergence of innovative marketing channels and platforms, digital technology and products are expected to further integrate with the life of consumers. On the entertainment front, as tourism resumed in Macau post-COVID 19, concert activities had seen burgeoning growth in the city.

The Group has been active in building its online presence and customer-base through various online channels. The Group provides ticket sales and promotional support for live performances, concerts, cinemas, exhibitions and other entertainment, sports and cultural events. Providing marketing services and convenient payment experience will be beneficial for the Group to participate in the cultural and entertainment market.

In July 2023, Macau Pass won the tender awarded by a government authority in Macau to be one of the suppliers for the provision of SMEs backend digitalization support services in Macau. These services will enable SMEs to conduct online marketing, transactions and settlement by providing different industry solutions, thereby assisting SMEs in digital operation, optimizing business management and supporting the digitalization transformation and development of the Macau economy.

To encourage local consumption to benefit SMEs in the community, Macau Pass joined hands with MGM to launch the "MGM x MPay Community Consumption Reward" from July 15 to 31, 2023. More than 6,000 merchants benefited from this activity, of which more than 90% were SMEs, and the prizes drove more than 60,000 secondary consumption deals for more than 3,000 merchants, creating an additional substantial transaction volume and bringing practical economic benefits to SMEs in the community.

In August 2023, in order to promote the community consumption cycle and attract customers for SMEs, Macau Pass launched the "Summer Consumption Reward" activity for the period from August 8 to September 22, which was suitable for catering and retail businesses with more than one million prizes. During the promotion period, users can enter the activity page multiple times to participate in the lucky draw.

To stimulate the consumption desire of tourists and citizens, the more they consume, the more chances they get for participating in the lucky draw. The activity promotes the development of domestic market, assists SMEs to increase their business volume, and helps further development of the real economy in Macau.

In December 2023, Macau Pass together with Galaxy Macau, AlipayHK and Alipay, launched the “Macau Consumption Carnival” with the aim of stimulating local consumption and attracting more tourists to experience the charm of Macau. More than 20,000 merchants across Macau benefited from the campaign by boosting consumption spending with a variety of special offers and prizes.

## **BUSINESS OUTLOOK**

As one of the leading payment service providers in Macau, the Group strives to contribute to the local fintech development and smart city transformation for Macau and the Greater Bay Area through offering its contactless smart card, e-wallet and multipurpose e-payment system. The Group is committed to enabling consumers and SMEs with access to technology and sustainable payment experiences. Through enhancing infrastructure and platform, it is the Group’s aim to support the digital transformation of financial services in the Greater Bay Area and beyond, committed to realizing our business strategy of becoming a modern fintech and innovative group in Macau and the Greater Bay Area in the PRC.

The Group will also explore on strategic cooperation with Alibaba Group and Ant Group to further develop and create more diverse business scenarios within the e-commerce and digital media and entertainment landscape; provide support for more electronic payment tools from overseas countries and regions to further facilitate the consumption of visitors to Macau, exploring commercialization opportunities within the Macau electronic payment ecosystem and cultural and entertainment market.

Leveraging the advantages of Alipay+, the Group will integrate relevant industries in Macau through channels and contents, accurately present Macau’s cultural tourism advantages such as entertainment, catering and shopping to potential tourists, assist collaborating merchants to increase their online exposure, deeply build Macau into a new form of “top-notch tourist destination”, strive to help Macau enterprises to provide tourists with more convenient multi-scene services, and support Macau’s economic recovery and growth.

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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 business, lottery business, local consumer services business and non-lottery hardware supply markets with a focus on Chinese Mainland 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) Electronic payment business:
  - (a) provision of payment card services and ancillary services;
  - (b) provision of e-wallet services;
  - (c) provision of acquiring services for other payment platforms;
- (ii) Lottery business:
  - (a) lottery hardware sales;
  - (b) lottery distribution through physical channels and ancillary services;
- (iii) Local consumer services business: Lifestyle, games and entertainment, marketing technical services and e-

commerce; and

(iv) Non-lottery hardware supply business (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](http://www.agtech.com)