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**AGTech Holdings Limited**

**亞博科技控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8279)**

**DISTRIBUTION AGREEMENTS IN RESPECT OF  
SF-THEMED INSTANT SCRATCH LOTTERY ENTERED INTO AND  
COMPREHENSIVE COOPERATION  
WITH PRC NATIONAL SPORTS LOTTERY CENTRE FINALISED**

The board of directors of the Company is pleased to announce that the PRC National Sports Lottery Centre and SF Lottery shall commence comprehensive cooperation in areas such as themed instant scratch lottery design, distribution of instant scratch lottery, system synchronisation, warehousing and delivery. SF Lottery is a joint venture established by an indirect wholly-owned subsidiary of the Company and an indirect wholly-owned subsidiary of S.F. Holding Co., Ltd.\* (順豐控股股份有限公司). SF Lottery is assisting the National Sports Lottery Centre in the design, research and development of SF Express-themed instant scratch lottery (“**SF-Themed Instant Scratch Lottery**”). The SF-Themed Instant Scratch Lottery has been examined and approved by the Ministry of Finance of the PRC as a national lottery product to be printed and issued and subsequently which will be sold through the relevant channel resources of SF Holding.

SF Lottery has entered into four distribution agreements with the Sports Lottery Administration Centre of Guangdong Province, the Sports Lottery Administration Centre of Jiangsu Province, the Sports Lottery Administration Centre of Hunan Province and the Sports Lottery Administration Centre of Jiangxi Province respectively on 26 April 2017 in respect of distribution of SF-Themed Instant Scratch Lottery within the pilot provinces of Guangdong, Jiangsu, Hunan and Jiangxi respectively. The details of the cooperation described in the Distribution Agreements are based on the cooperation framework agreement (the “**Framework Agreement**”) previously entered into by SF Lottery with the National Sports Lottery Administration Centre of the People’s Republic of China in order to implement the cooperation.

\* For identification purposes only

This announcement is made by AGTech Holdings Limited (the “**Company**”, and its subsidiaries collectively, the “**Group**”) pursuant to Rules 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Director(s)**”) of the Company is pleased to announce that SF Lottery (Shenzhen) Technology Development Company Limited\* (順豐彩(深圳)科技發展有限責任公司) (“**SF Lottery**”), a joint venture established by an indirect wholly-owned subsidiary of the Company and an indirect wholly-owned subsidiary of S.F. Holding Co., Ltd.\* (順豐控股股份有限公司) (“**SF Holding**”), has entered into four distribution agreements (the “**Distribution Agreements**”) with the Sports Lottery Administration Centre of Guangdong Province, the Sports Lottery Administration Centre of Jiangsu Province, the Sports Lottery Administration Centre of Hunan Province and the Sports Lottery Administration Centre of Jiangxi Province (together known as the “**PSLACs**”) respectively on 26 April 2017 in respect of distribution of SF-Themed Instant Scratch Lottery within the pilot provinces of Guangdong, Jiangsu, Hunan and Jiangxi respectively. The details of the cooperation described in the Distribution Agreements are entered into based on the Framework Agreement previously entered into by SF Lottery with the National Sports Lottery Administration Centre (the “**National Sports Lottery Centre**”) of the People’s Republic of China (“**PRC**”) in order to implement the cooperation.

## **THE DISTRIBUTION AGREEMENTS**

### **Form of Cooperation**

Pursuant to the terms of the Distribution Agreements, the PSLACs shall authorize SF Lottery to act as the distributor of SF-Themed Instant Scratch Lottery and provide the relevant distribution and sales services in respect of SF-Themed Instant Scratch Lottery, such as logistics and distribution, lottery maintenance and prize management in the four provinces, namely Guangdong, Jiangsu, Hunan and Jiangxi, through the relevant channel resources of SF Holding. The PSLACs and SF Lottery agreed to further develop the content and model of their cooperation by adopting innovative sales and marketing methods with reference to the actual conditions of the local areas. The PSLACs will also support the promotion of the SF-Themed Instant Scratch Lottery on a free of charge basis in areas such as launching, sales, marketing and promotion, and provide support in terms of marketing activities and policies. The PSLACs shall pay distribution commission to SF Lottery according to an agreed proportion of the sales volume of the SF-Themed Instant Scratch Lottery.

### **Term**

The Distribution Agreements are for a term of three years from the date of signing. SF Lottery is entitled to a priority right for renewal on the same conditions upon expiration of the term.

## **SF-Themed Instant Scratch Lottery**

As the first product that is able to achieve comprehensive penetration and integration of the lottery business with a logistics network in the PRC, SF-Themed Instant Scratch Lottery is designed and developed by the National Sports Lottery Centre as requested by and with the assistance of SF Lottery. The SF-Themed Instant Scratch Lottery has been examined and approved by the Ministry of Finance of the PRC (the “MOF”) as a national lottery product to be printed and issued. SF Lottery will distribute SF-Themed Instant Scratch Lottery through the relevant channel resources of SF Holding and provide services such as logistics and distribution, lottery maintenance and prize management. SF Lottery strives to establish a new national vertical logistics and distribution system complementing the SF-Themed Instant Scratch Lottery to realise system synchronisation with the National Sports Lottery Centre. This will not only help to enhance the efficiency of the management of lottery business as well as logistics and delivery of the SF-Themed Instant Scratch Lottery, but will also be favourable and complementary to the National Sports Lottery Centre’s existing system for instant scratch lottery. Moreover, SF Lottery’s innovative self-service redemption model will provide instant scratch lottery players with a brand new redemption experience, complementing the redemption in traditional physical stores and enhancing the experience of instant scratch lottery services for the public. The cross-sector cooperation and innovative model of the SF-Themed Instant Scratch Lottery is expected to bring a positive impact to the Company in aspects such as product supply, channel expansion, referral of users and revenue streams.

## **Form of cooperation under the Framework Agreement**

The Framework Agreement sets out the general terms of the comprehensive cooperation between the National Sports Lottery Centre and SF Lottery, while the specific terms of cooperation are intended to be set out in legally binding distribution agreements, such as the Distribution Agreements entered into on 26 April 2017. Pursuant to the Framework Agreement, the National Sports Lottery Centre and SF Lottery shall commence comprehensive cooperation in areas such as themed instant scratch lottery design, distribution of instant scratch lottery, system synchronisation, warehousing and delivery. In addition to fulfilling its industry management duties, the National Sports Lottery Centre will also be responsible for the design, research and development of the SF-Themed Instant Scratch Lottery and for reporting to the MOF. SF Lottery will be responsible for utilizing the resources of both SF Holding with respect to its channels, warehousing, logistics, information, etc. and the Group with respect to its integrated lottery technology and services, so as to realise and facilitate the sales of the SF-Themed Instant Scratch Lottery.

Pursuant to the arrangement under the Framework Agreement, the National Sports Lottery Centre and SF Lottery will commence comprehensive cooperation in areas such as distribution of instant scratch lottery, system synchronisation, warehousing and delivery. Guangdong, Jiangsu, Hunan and Jiangxi were listed as pilot provinces under the unified arrangement of the National Sports Lottery Centre, where the cooperation in respect of the SF-Themed Instant Scratch Lottery project will be implemented. The Company intends to enter into other cooperation agreements with other provinces as appropriate with a view to expand the cooperation project into more provinces as intended in the Framework Agreement.

## **Information on Instant Scratch Sports Lottery**

Instant scratch sports lottery cards are approved lottery products in the PRC. According to figures published by the MOF in 2016, instant scratch sports lottery generated approximately RMB13.6 billion of sales. Total sales of instant scratch lottery cards (including instant scratch sports lottery and instant scratch welfare lottery) in the PRC was approximately RMB28.5 billion in 2016.

## **Information on the PSLACs**

The PSLACs are the sports lottery administration centres established by the General Administration of Sport of China in different provinces, municipalities and cities. Governed by the MOF, the PSLACs are local authorities for selling of sports lottery products in the respective province. According to information published by the MOF, in 2016, the sports lottery administration centre of Guangdong, Jiangsu, Hunan and Jiangxi ranked first, second, eleventh and twenty-first in the PRC respectively in terms of sports lottery sales volume. The sports lottery sales of the PSLACs totalled approximately RMB45.5 billion, accounting for approximately 24% of the PRC sports lottery market.

## **Information on SF Lottery**

SF Lottery is a joint venture in China established by 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.\*), an indirect wholly-owned subsidiary of the Company, and 深圳市順豐投資有限公司 (Shenzhen SF Investment Company Limited\*), an indirect wholly-owned subsidiary of SF Holding. The board of SF Lottery consists of 5 directors, out of which the Company, through China Lottery Management Co., Ltd., is entitled to appoint 3 directors. SF Holding has established its business (including logistics distribution, express delivery etc.) in Greater China (including Hong Kong, Macau and Taiwan), and its customer service network complements the Group's leading position as a fully integrated service provider for the PRC lottery industry. Through the establishment of SF Lottery, the Group and SF Holding became exclusive partners of each other for the commencement of the instant scratch lottery business by leveraging the resources advantages of both SF Holding with respect to logistics and express delivery and of the Group with respect to lottery technology and services and utilising such channels and resources in the logistics and express delivery sector. As all the applicable percentage ratios in relation to the formation of SF Lottery under Rule 19.07 of the GEM Listing Rules were under 5%, the formation of SF Lottery did not constitute a discloseable transaction.

## **Information on SF Holding**

SF Holding is a company providing the customers with services such as logistics and distribution, express services, warehousing management, sales forecast, big data analysis, settlement management, etc.. Products of SF Holding mainly include: various express services (such as business express services, e-commerce express services, warehousing distribution and international express services), heavy cargo transportation services (such as general logistics transportation and heavy cargo express services) and cold chain transportation services for customers from food as well as medical and pharmaceutical industry.

In the opinion of the Board, the Group is an integrated lottery technology and service provider and one of its major businesses is sales and distribution of lottery and other games. Through SF Lottery, a subsidiary of the Company, the Group will work with the National Sports Lottery Centre to fully leverage the resources of SF Holding and its channels to improve the sales volume of sports lottery and increase the Group's revenues. Meanwhile, SF Lottery and the PSLACs will cooperate closely with each other at a local level and will seek to strengthen their strategic partnership through innovative sales and marketing approaches. All parties will thus provide important economic support for promoting the development of the national sports business and contribute to the development of public services, thereby realising mutual benefits for all parties.

None of the Directors or substantial shareholders of the Company had any direct or indirect interest in the Distribution Agreements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the PSLACs together with their ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons (as defined under the GEM Listing Rules).

**Holders of the shares or other securities of the Company and potential investors are advised to exercise caution when dealing in the shares or other securities of the Company.**

By order of the Board  
**AGTech Holdings Limited**  
**Sun Ho**  
Chairman & CEO

The Hong Kong Special Administrative Region  
of the People's Republic of China, 26 April 2017

*As at the date of this announcement, the Board comprises (i) Mr. Sun Ho and Mr. Zhou Haijing as executive Directors; (ii) Mr. Zhang Qin, Mr. Yang Guang, Mr. Ji Gang and Mr. Zhang Wei as non-executive Directors; and (iii) Ms. Monica Maria Nunes, Mr. Feng Qing and Dr. Gao Jack Qun Yao as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website operated by the Stock Exchange at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the day of its posting and will be published on the website of the Company at [www.agtech.com](http://www.agtech.com).*