

[For Immediate Release]



AGTech Announces 2012 Interim Results

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Revenue Soars 127.6% and Gross Profit Surges 42.5% Total Sales of “Lucky Racing” Exceeds RMB550 million

(10 August 2012, Hong Kong) – **AGTech Holdings Limited** (“AGTech”, together with its subsidiaries, the “Group”) (SEHK code: 8279), the largest professional services provider in China’s sports lottery market in terms of business scope and geographic coverage, announced its unaudited interim results for the six months ended 30 June 2012.

During the period under review, the Group’s revenue soared 127.6% to approximately HK\$99.3 million (1H2011: approximately HK\$43.6 million). Gross profit amounted to approximately HK\$47.6 million, surging approximately 42.5% (1H2011: approximately HK\$33.4 million). The substantial growth in revenue and gross profit was mainly attributable to the new wholly-owned subsidiary Beijing AGTech GOT Technology Co., Ltd. (“GOT”), acquired in December 2011. Due to its rapid expansion, the Group’s selling and administrative expenses during the period increased to approximately HK\$51.3 million (1H2011: approximately HK\$32.8 million). This, in addition to amortisation of other intangible assets and the share-based payment expenses, slightly widened the loss attributable to owners of the Company to HK\$27.2 million (1H2011: HK\$23.6 million).

Mr. John Sun, Chairman & CEO of AGTech, said, “We are pleased to have witnessed continued substantial growth in revenues and gross profits driven by the key strategic acquisitions of late 2011, GOT and Shenzhen Silvercreek Digital Technology Co., Ltd. (“Silvercreek”). We look forward to continuing to exploit the synergies of these acquisitions and to maximising the strategic opportunities they bring to the Group. We are satisfied that the ‘Lucky Racing’ game has delivered strong performance in Hunan, providing a solid base for potential National rollout, subject to the necessary approvals. All these initiatives have built a solid foundation for our continued growth in the years to come.”

Gaming Technologies Business

During the period under review, total sales of the virtual sports betting game “Lucky Racing” (「幸運賽車」) has exceeded RMB550 million, and a 9.6% growth was achieved in the second quarter of 2012 when compared with the first quarter. The game has been rolled out to about 1,700 lottery shops (of which more than 1,400 shops are fully operational) in Hunan province. The sales performance of “Lucky Racing” was deemed impressive by the Chinese authorities.

Upon the acquisition of GOT in December 2011, the Group has become the largest sports lottery terminal and system provider in the PRC. GOT is the only authorised sports lottery terminal and system provider in the PRC with its own research and development centre. Benefitting from

advanced technologies and innovation capabilities along with more than 10 years of development, GOT has built a reputable brand in the PRC's sports lottery and commercial information products sectors. In addition, the Group has continued its focus on and made progress with several business development projects with international strategic partners. The Group believes that GOT has significant potential to develop an international business in addition to its extensive sales network in the PRC.

Lottery Management Business

The performance of the Group's lottery management business is in line with the Group's expectations, as it recorded stable sales and gross profits. Through years of superior services and solid delivery infrastructure, the Group is well-equipped to execute large multi-disciplinary or diverse projects for the lottery authorities in the PRC. This segment is expected to continue to be a key enabler of the Group's strategy for growth.

Online and Phone Lottery Distribution Business

Through the acquisition of Silvercreek, one of the most competitive phone and mobile lottery service providers in China, the Group has strengthened its technology development capability, expertise and operational experience in the phone lottery segment. The Group is currently qualified to apply for mobile or internet licenses and is well positioned to react to and capitalise on market opportunities when they arise.

Outlook

With continued improvement in revenue performance, the Group is optimistic about the outlook for the business and excited about the growth opportunities ahead. Firstly, following the successful launch of "Lucky Racing" virtual sports betting in Hunan province, the Group expects positive developments as it progresses the rollout of the game to more provinces across China and through other distribution channels. Secondly, the Group expects solid progress in its efforts to develop and introduce more exciting new games and content to the Chinese sports lottery market. Thirdly, the Group continues to closely monitor the prospective online and mobile lottery distribution business and is well equipped to react quickly in response to any new development of government policies. Finally, the Group will endeavor to expand the existing sales networks of GOT both domestically and overseas where there are significant opportunities.

Following the implementation of the "Implementing Rules for the Regulations on the Administration of Lotteries" on 1 March 2012, the Directors believe that the Chinese government will start to deal with the issuance of licenses for online and mobile lottery distribution. As a prudent lottery group which has been providing legitimate lottery products and services in compliance with the regulations and rules of the Chinese government, and in light of its Silvercreek acquisition, the Group is well positioned to react to such a regulatory change. The Directors believe that such a development would bring great opportunities for the Group to further expand its business into more innovative lottery games and distribution channels in the future.

Mr. Sun concluded, "AGTech is enjoying strong growth and, as a result of the strategic acquisitions made late last year, is now well positioned in the key verticals of the Chinese sports lottery market. We look forward to further maximising the synergies of these acquisitions. Our uniquely balanced, complementary suite of businesses enables us to exploit new business opportunities and forge

more strategic business alliances to consolidate our industry-leading market position. We are confident we can capitalise on the thriving lottery and sports lottery markets and ultimately maximise returns for shareholders.”

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About AGTech

AGTech is the largest professional services provider in China’s sports lottery market in terms of both business scope and geographic coverage, as well as the largest sports lottery terminal and system provider in the PRC. Leveraging on its advanced research and development capabilities and cooperation with top international and domestic lottery and gaming enterprises, the Group is committed to becoming a leading lottery technology group.

AGTech is principally engaged in (i) gaming technologies (game software, systems, hardware and terminals); (ii) lottery management; and (iii) online and phone lottery distribution. The Group is committed to applying international best practice and advanced technologies to the lottery industry in various areas such as paper tickets, internet, mobile phone, video, wireless network and streaming media, thereby providing sports lottery authorities and millions of lottery players in China with professional, integrated lottery services.

The Group has a team of over 200 professionals and the footprint of its sports lottery business now covers 80% of the provinces and municipalities across China. The Group is a member of the World Lottery Association (WLA) and the Asia Pacific Lottery Association (APLA).

For more information, please visit www.agtech.com

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