



AGTech Announces 2012 Third Quarterly Results Revenue and Gross Profit Surges 145% and 30% Respectively

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Hunan's "Lucky Racing" Accounts for More than 1% of National Sports Lottery Sales

(9 November 2012, Hong Kong) – **AGTech Holdings Limited** ("AGTech," together with its subsidiaries, the "Group") (SEHK code: 8279), (SEHK code: 8279), the leading integrated gaming company in China's sports lottery market, announced its unaudited results for the nine months ended 30 September 2012, demonstrating sustained business growth.

During the period under review, revenue soared 145.1% to approximately HK\$163.6 million (corresponding period in 2011: approximately HK\$66.7 million). Gross profit amounted to approximately HK\$66.3 million, representing a healthy growth of 29.6% (corresponding period in 2011: approximately HK\$51.2 million). The substantial growth of revenue and gross profit was mainly attributable to the new subsidiary Beijing AGTech GOT Technology Co., Ltd. ("GOT") acquired in December 2011.

Mr John Sun, Chairman & CEO of AGTech, said, "We are pleased to see that our efforts to build a uniquely balanced, complementary suite of businesses has borne fruit in terms of continued growth in revenues and gross profit. We are excited not only by the overwhelming acceptance of the virtual sports fixed odds betting game "Lucky Racing" by lottery players in Hunan, but also the huge interest we have seen from other provinces and the very real progress that we are making to launch an additional game type in another province. These developments strengthen our belief that this new genre of game has great potential to significantly grow the sports lottery market on a national basis."

Gaming Technologies Business

Since its debut in August 2011, "Lucky Racing" (「幸運賽車」), continues to deliver exciting performance in the trial province of Hunan. During the period, the game has exceeded RMB820 million in total sales, accounting for 1.1% of all national sports lottery sales and contributing to the 49.1% annual growth of sports lottery sales in Hunan province, far in excess of the 21.0% growth of the sports lottery nationally. Whilst Lucky Racing has now taken a 36.3% share of all sports lottery sales in Hunan province, importantly the game's introduction has also stimulated above average growth in the province's other sports lottery products, demonstrating the complementary nature of the game.

With the highly satisfactory sales and technical performance of Lucky Racing, the game is no longer considered to be in a trial phase and has become fully operational. The Group is in active discussion with the national authorities in order to agree commercial and technical terms to launch the system and game on a national basis.

Given the spectacular performance of Lucky Racing in Hunan, the Group has been approached by a number of other provinces that are anxious to have access to virtual fixed odds sports betting. The Group is currently engaged in advanced commercial discussions with one of these provinces in order to launch a new, nationally approved, virtual fixed odds sports betting game in China. The new game will feature a virtual match rather than a virtual race and will initially be launched in a trial province in anticipation of a potential national roll-out in due course. Building on the success of Lucky Racing, the planned introduction of this additional new game would represent a very significant development for the Group in terms of both geographical and game product development and would confirm virtual fixed odds sports betting as a fully accepted, rapidly growing, multi-product game category in China.

GOT, the Group's authorised sports lottery terminal and system provider, has maintained its leading market share of approximately 50%. Following the conclusion of the terminal supplier selection and evaluation process currently being undertaken by the sports lottery authorities, the sports lottery is expected to commence a significant terminal replacement cycle in the coming months. As the largest supplier in the field, GOT anticipates playing a leading role in this important industry dynamic. In addition, GOT continues to increase its focus on developing an international business in the future.

Online and Phone Lottery Distribution Business

Through its Shenzhen Silvercreek Digital Technology Co., Ltd. ("Silvercreek") business, the Group is qualified to apply for mobile and internet licenses and is thus well positioned to react to market opportunities when they arise. The mobile systems trials that are currently underway or being prepared in the welfare and sports lotteries are expected to lead to the creation of a fully regulated mobile lottery distribution market in China. The Group intends to directly participate in this development via the provision of mobile systems and as a distributor / retailer. Moreover, the Group expects to benefit from the sales of its proprietary "Lucky Racing" game through such distribution platforms.

Lottery Management Business

The Group's lottery management business is performing in-line with expectations. Years of development have built up a solid delivery infrastructure to execute large projects for PRC lottery authorities. The strength and track record of the Group as a reliable supplier of quality lottery products and services in the PRC's sports lottery market has been and continues to be a key enabler of the Group's strategy.

Outlook

The Group's relationships with industry regulators and officials at both the national and provincial level as well as its cooperation with internationally renowned gaming partners has contributed to its success in establishing a comprehensive, balanced business model and helped to drive the healthy growth of the Group. AGTech is well-positioned to prosper from market opportunities thanks to its strong track record as a reliable supplier of quality lottery products and services in the PRC's sports lottery market.

Mr Sun concluded, "While the Group has successfully created a balanced business with leading positions across the main sports lottery verticals in China, the Group believes that the business will continue to enjoy rapid growth and achieve further significant milestones in the coming months. All of these efforts have built a solid foundation for AGTech to reach new heights when market opportunities emerge in the rapidly growing sports lottery industry and to generate attractive returns to shareholders."

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About AGTech

AGTech is the leading integrated gaming company in China's sports lottery market. 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 lottery systems, lottery hardware, lottery/betting games, internet and mobile phone distribution, 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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