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This announcement, for which the directors (the “Directors”) of AGTech Holdings Limited (the “Company”) 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 (the “GEM Listing Rules”) 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, there are no other matters the omission of which would make any statement herein or this announcement misleading.



AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2013

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

* For identification purpose only

HIGHLIGHTS

- Total revenue of the Group for the Three-Month Period amounted to approximately HK\$37.6 million, a decrease of approximately HK\$4.7 million or 11.1% from the corresponding period in 2012. Most of the revenue was derived from gaming technologies (game software, systems, hardware and terminals) business and provision of sports lottery management and marketing consultancy services in the PRC.
- Gross profit of the Group amounted to approximately HK\$24.2 million, a decrease of approximately HK\$0.9 million or 3.7% over the corresponding period in 2012. This was mainly due to the change in revenue mix during the Three-Month Period.
- Profit from business operations amounted to approximately HK\$3.2 million, a three-folded increase over the corresponding period in 2012.
- Loss attributable to owners of the Company for the Three-Month Period amounted to approximately HK\$3.9 million, primarily due to the share-based payments (totalling approximately HK\$4.8 million for the Three-Month Period) as a result of the adoption of Hong Kong Financial Reporting Standard 2 *Share-based Payment* for share options of the Company granted to Directors, eligible employees and other eligible participants under the Share Option Scheme of the Company. Compared with the corresponding period in 2012, loss attributable to owners of the Company showed a continuing improvement of approximately HK\$7.8 million or 66.5%.
- The Board does not recommend the payment of an interim dividend for the Three-Month Period.

FIRST QUARTERLY RESULTS

The board of directors (the “Board”) of AGTech Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2013 (the “Three-Month Period”), together with the comparative unaudited figures for the corresponding period in 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months ended 31 March 2013

		Three months ended 31 March 2013 HK\$	2012 HK\$
	<i>Notes</i>		
Revenue	2	37,640,997	42,335,992
Cost of sales and services		(13,405,258)	(17,169,119)
Gross profit		24,235,739	25,166,873
Investment and other income		425,049	781,702
Selling and administrative expenses		(21,447,417)	(25,273,704)
Profit from business operations		3,213,371	674,871
Share-based payments		(4,836,772)	(1,141,547)
Net foreign exchange gain/(loss)		12,239	(549)
Amortisation of other intangible assets		(116,815)	(10,449,836)
Finance costs		(167,207)	(1,555,683)
Loss before tax		(1,895,184)	(12,472,744)
Income tax (expense)/credit	3	(1,702,085)	1,494,126
Loss for the period		(3,597,269)	(10,978,618)
Loss attributable to:			
Owners of the Company		(3,948,979)	(11,797,631)
Non-controlling interests		351,710	819,013
		(3,597,269)	(10,978,618)
Loss per share			
Basic and diluted	4	HK0.103 cent	HK0.307 cent

	Three months ended	
	31 March	
	2013	2012
	HK\$	HK\$
Loss for the period	(3,597,269)	(10,978,618)
Other comprehensive income, net of income tax		
Translation differences on translating foreign operations	<u>7,976,293</u>	<u>4,696,948</u>
Total comprehensive income for the period	<u>4,379,024</u>	<u>(6,281,670)</u>
Total comprehensive income attributable to:		
Owners of the Company	4,299,208	(7,119,400)
Non-controlling interests	<u>79,816</u>	<u>837,730</u>
Total comprehensive income for the period	<u>4,379,024</u>	<u>(6,281,670)</u>

Notes:

(1) BASIS OF PREPARATION OF THE ACCOUNTS

The unaudited condensed consolidated accounts have been prepared in accordance with the requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange (the “GEM Listing Rules”), accounting principles generally accepted in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The condensed consolidated accounts have not been audited by the Company’s auditors, but have been reviewed and commented on by the Company’s audit committee. The principal accounting policies and methods of computation used in preparing these results are consistent with those used in preparing the Group’s audited financial statements for the year ended 31 December 2012.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (the “new and revised HKFRS”). The Group has not early adopted the new and revised HKFRS that have been issued but are not yet effective, the Group is in the process of assessing the impact of these new and revised HKFRS on the financial performance and financial position of the Group.

(2) REVENUE

Revenue represents the amounts received and receivable from gaming technologies (game software, systems, hardware and terminals) business and provision of sports lottery management and marketing consultancy services in the People’s Republic of China (“China” or the “PRC”) during the Three-Month Period.

(3) INCOME TAX

Income tax for the Three-Month Period represents the net amount of deferred taxation credit of approximately HK\$0.1 million and PRC Enterprise Income Tax of approximately HK\$1.8 million.

(4) LOSS PER SHARE

The calculation of basic and diluted loss per share for the Three-Month Period is based on the unaudited loss attributable to owners of the Company of HK\$3,948,979 (2012: HK\$11,797,631) and the weighted average number of 3,849,225,597 (2012: 3,843,953,375) shares in issue during the period.

The computation of the diluted loss per share does not assume the exercise of the Company’s share options as the exercise would decrease the loss per share for both periods.

(5) DIVIDEND

The Board does not recommend the payment of an interim dividend for the Three-Month Period (2012: nil).

(6) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company							Attributable to non-controlling interests		Total
	Share capital	Share premium	Share options reserve	Statutory reserve	Exchange reserve	Contributed surplus	Accumulated losses	Subtotal	interests	
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Balance at 1 January 2013	7,687,907	1,174,554,927	75,317,280	10,746,631	164,107,837	47,191,476	(416,381,699)	1,063,224,359	2,126,601	1,065,350,960
Loss for the period	-	-	-	-	-	-	(3,948,979)	(3,948,979)	351,710	(3,597,269)
Other comprehensive income for the period	-	-	-	-	7,928,497	-	-	7,928,497	47,796	7,976,293
Total comprehensive income for the period	-	-	-	-	7,928,497	-	(3,948,979)	3,979,518	399,506	4,379,024
Recognition of equity-settled share-based payments	-	-	4,836,772	-	-	-	-	4,836,772	-	4,836,772
Shares issued on exercise of part of share options	14,219	5,557,462	(3,634,853)	-	-	-	-	1,936,828	-	1,936,828
Balance at 31 March 2013	7,702,126	1,180,112,389	76,519,199	10,746,631	172,036,334	47,191,476	(420,330,678)	1,073,977,477	2,526,107	1,076,503,584
Balance at 1 January 2012	7,687,907	1,174,554,927	132,388,040	5,999,326	158,026,661	47,191,476	(445,840,958)	1,080,007,379	601,341	1,080,608,720
Loss for the period	-	-	-	-	-	-	(11,797,631)	(11,797,631)	819,013	(10,978,618)
Other comprehensive income for the period	-	-	-	-	4,678,231	-	-	4,678,231	18,717	4,696,948
Total comprehensive income for the period	-	-	-	-	4,678,231	-	(11,797,631)	(7,119,400)	837,730	(6,281,670)
Recognition of equity-settled share-based payments	-	-	4,188,612	-	-	-	-	4,188,612	-	4,188,612
Lapse of share options	-	-	(5,453,212)	-	-	-	2,406,141	(3,047,071)	-	(3,047,071)
Transfer from accumulated losses	-	-	-	697,743	-	-	(697,743)	-	-	-
Balance at 31 March 2012	7,687,907	1,174,554,927	131,123,440	6,697,069	162,704,892	47,191,476	(455,930,191)	1,074,029,520	1,439,071	1,075,468,591

MANAGEMENT DISCUSSION AND ANALYSIS

About the Group

The Group is the leading integrated gaming company in China's sports lottery market. The Group is principally engaged in (i) gaming technologies (game software, systems, hardware and terminals); (ii) lottery management; and (iii) online and mobile lottery. 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 & systems, wireless network and streaming media, thereby providing China's lottery authorities and millions of lottery players in China with professional, integrated lottery services.

Over the past six years, the Group has demonstrated a strong track record of delivery, successfully building a uniquely balanced, complementary suite of businesses that now occupy leading positions in the key verticals of the Chinese sports lottery market. This growth is testament to the quality and depth of the Group's relationships with industry regulators and officials at both a national and provincial level, as well as the quality of its management, employees, technology and partners.

Through Asia Gaming Technologies Limited ("AGT"), the Group's joint venture with Ladbroke Group, the Group has developed and successfully launched China's only nationally-approved virtual fixed odds sports betting game, "Lucky Racing".

The Group has a team of approximately 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).

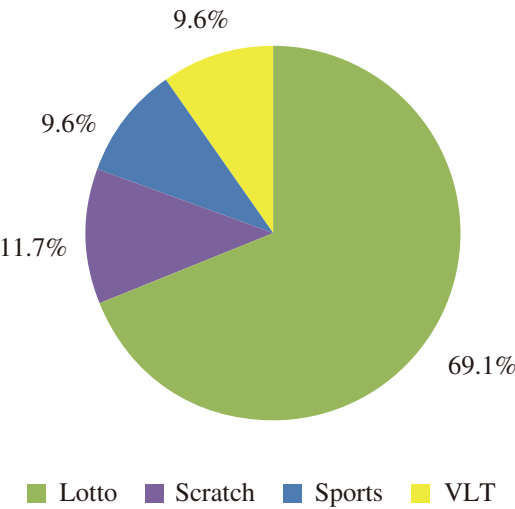
Corporate Strategy and Objectives

Our long-term objectives are to maintain a leading position as a lottery technology group in China and to provide innovative and legal lottery games to help the Chinese government to crack down on illegal gambling. In order to achieve these objectives, we are committed to bringing together international and domestic industry expertise, technologies, management, skills and infrastructure into the Chinese lottery markets through both the existing and any new remote channels. Our Group has been working with various world-renowned strategic partners in these efforts for many years. It is also our corporate strategy to expand into China's welfare lottery market in due course.

Industry Overview

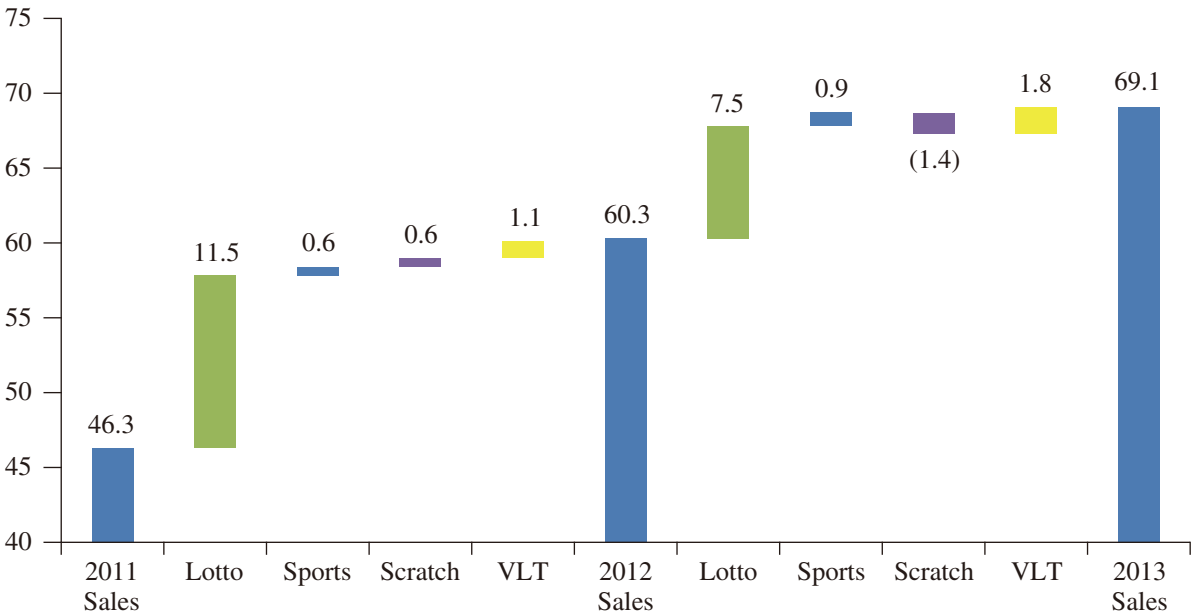
According to information published by the Ministry of Finance of the PRC, for the Three-Month Period, the lottery market recorded sales of RMB69.1 billion, an increase of approximately 14.6% compared to the corresponding period in 2012 (versus 30.1% growth in the same quarter last year). Of this, sports lottery amounted to approximately RMB28.8 billion (accounting for 41.7% of total lottery sales), an increase of approximately 15.3% year on year. The Welfare lottery achieved sales of approximately RMB40.3 billion (58.3% of total lottery sales), an increase of approximately 14.1% against the corresponding period in 2012.

Market Share of Sales by Product (Q1 2013)



Source: PRC Ministry of Finance

China Lottery Sales Bridge Q1 2011–Q1 2013 (RMB billion)



Source: PRC Ministry of Finance

China Lottery Sales Growth Comparison by Product (Q1 2013 vs. Q1 2012)



Source: PRC Ministry of Finance

The decline in the pace of overall sales growth in the first quarter of 2013 relative to the first quarter of 2012 has been driven by weaknesses in the Scratch and Lotto segments. Given their relatively smaller contribution to the overall sales mix, the improved growth rates in Sports and video lottery terminal (“VLT”) were not sufficient to counteract the declines in Scratch and Lotto.

The Lotto category contains both traditional weekly and daily lotto draw games as well as high frequency games (“HFG”) which are characterised by multiple daily draws and higher prize payout ratios of up to 59%. Whilst traditional lotto draw games have experienced a declining sales pattern, the HFG category is growing very rapidly. The Group’s Lucky Racing game is classified as a High Frequency Game and is expected to play a significant role in maintaining the HFG category’s high growth rates in the months and years ahead.

The Group believes that the trend of slowing growth that has been witnessed in recent quarters will lead to an increased pace of regulatory progress in the lottery market in terms of the approval and roll-out of new products as well as the development of new, remote distribution channels. An increased focus on such areas would be extremely positive for the Group and its Virtual Sports, GOT and Online and Mobile Lottery businesses in particular.

Business Review

During the period under review, the Group recorded relatively stable revenue and gross profit while delivering strong growth in profit from business operations.

The Group is in the process of transitioning its focus from the legacy, lower-growth Lottery Management business to its high growth Gaming Technology business. Whilst the Lottery Management business has been a drag on growth in the quarter, within Gaming Technologies, our GOT business has performed well and is poised for strong performance in the coming quarters due to the terminal replacement cycle that is now starting. Our Virtual Fixed Odds Sports Betting sales are also expected to increase meaningfully as we make progress on our planned second game and the National roll-out of our existing game, “Lucky Racing”.

Gaming Technologies Business

Virtual Fixed Odds Sports Betting

During the period under review, the virtual sports betting game “Lucky Racing” (「幸運賽車」) has continued to be operated in the trial province of Hunan, in advance of a planned national roll-out across the PRC. In the Three-Month Period, the game has continued to perform strongly, delivering approximately 30% of total sports lottery sales in Hunan province in the period.

“Lucky Racing” and the underlying betting transaction system are supplied by “AGT”, the Group’s majority-owned joint venture with Ladbroke Group (a world leader in betting and gaming, based in the United Kingdom). The game is a virtual betting game that is broadcast to lottery shops via a central computer and cable television, allowing customers to bet on computer generated car races (Grand Prix style) with similar betting options to horse racing such as win, place (first two), first three or accumulator style bets. The approval by the central Chinese regulators for this form of betting is a milestone in China, and the game’s acceptance by lottery players in Hunan strongly indicates that virtual betting could be a significant new market segment on a national basis.

Sales and technical performance of Lucky Racing has been highly satisfactory and the game is therefore fully operational and no longer considered to be in a trial phase. The Group is actively working with the national authorities to integrate the game and system into the national sports lottery’s “Next Generation” system that is currently under construction. With Lucky Racing already achieving national approval, the conclusion of the national sports lottery’s “Next Generation” IT project will remove the final technical hurdle for the game’s national roll-out. To date, Lucky Racing in Hunan has been successfully launched in traditional dedicated sports lottery shops and a small number of selected leisure venues (such as coffee shops and restaurants). It is expected that the game also has the potential to expand nationwide in terms of other channels such as mobile, internet and Internet Protocol Television (IPTV) (subject to the necessary approvals).

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. As a consequence, the Group is currently working with one of the country’s leading

provinces in order to launch another new approved virtual fixed odds sports betting game in China. Whilst the new virtual game will share many characteristics with Lucky Racing such as frequency of play and high quality graphical display, the new game will feature a virtual match rather than a virtual race. The new game 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.

Gaming Hardware and Technology Development

With a domestic market share of more than 50%, GOT is the leading manufacturer and supplier of lottery and sports betting terminals to China's sports lottery. GOT is a critically important growth driver within the Group, with opportunities to expand not only in the domestic lottery and betting terminal supply arena, but also in the overseas lottery and betting terminal markets as well as through new technologies such as domestic and international VLT manufacture and delivery.

With the recent conclusion of the National Sports Lottery Administration Centre's terminal supplier selection and evaluation process, the keenly anticipated terminal replacement cycle is expected to commence in the second quarter of 2013. The Group is confident that GOT's new range of approved terminals, the M6 Smart Terminal, the C8 Terminal and the A210 Portable Terminal, will play leading roles in this replacement cycle.

Following GOT's first international order of over 500 next generation GOT C8 terminals for South Africa's Gold Circle (PTY) Limited, the Group is in active discussions with a number of other potential international customers and distributors.

The Group is proud to be working with some of the world's leading lottery technology companies as it seeks to internationalise GOT business and to broaden its product spectrum domestically and overseas.

Lottery Management Business

The Group's lottery management business is performing in-line with expectations. Lottery management services primarily comprise long term contracts with provincial sports lottery authorities for services such as direct and franchise retail shop management, as well as lottery sales, marketing and promotion management.

Over the many years of its successful operation, the track record of the Lottery Management Business as a reliable supplier of quality lottery products and services to the provincial sports lottery authorities in China has been a key enabler of the Group's strategy, cementing the Group's first class relationships and reputation across the country. Going forward, as it increasingly focuses on the growth businesses of Gaming Technology and Internet and Mobile, the Group expects that the Lottery Management Business will gradually become a less important Group division.

Online and Mobile Lottery Distribution Business

In light of the very high levels of internet and mobile/smart phone penetration in China (over 510 million and over 1 billion/330 million respectively according to recent publicly available estimates), the potential regulation of online and mobile distribution of approved lottery products in China promises to create enormous opportunities for the Group.

The Group intends to directly participate in this exciting development via the provision of mobile systems and as a distributor/retailer. Sales of the Group's approved games, such as Lucky Racing, should also benefit from any introduction of a legitimate remote distribution channel in China.

The provincial mobile systems trials that are 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. In Silvercreek, the group's wholly-owned subsidiary, we control one of the most competitive mobile lottery service providers in China. Thanks to its valuable PRC internet content provider and PRC telecom service provider licenses, as well as its track-record and relationships in the lottery industry, the Group is fully qualified to apply for mobile and internet system and distribution licenses as and when they become available.

Business Outlook

The Directors are optimistic about the outlook for the business and excited about the growth opportunities they see ahead in 2013 and beyond. The Board believes that, in the coming months, the business will continue to enjoy rapid growth and achieve further significant milestones. Firstly, the Group expects to launch a new virtual fixed odds sports betting game in one of China's leading provinces in the relatively near future, part of a planned pipeline of approved, exciting new games for the Chinese sports lottery market. Secondly, as part of its ongoing co-operation with the national sports lottery with respect to "Lucky Racing", the Group expects the final technical hurdle to national roll-out of this game to be removed during the course of this year. 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. Such developments will bring opportunities in terms of our approved content (games) as well as in systems and distribution. Finally, in GOT business, the Group will capitalise on the terminal replacement cycle in the sports lottery, continue its overseas expansion and look to broaden its product range to VLT.

Following the introduction of "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 that has been providing legitimate lottery products and services in compliance with the regulations and rules of the Chinese government for many years, and in light of its Silvercreek acquisition, the Group is well positioned to react to any such 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.

Taken together with the continuing underlying revenue growth of the sports lottery business in China, the multiple potential areas of expansion outlined above suggest a very positive outlook for the Group during 2013 and beyond.

Looking ahead, the Group will continue to explore new business opportunities and forge more strategic business alliances, with a view to increasing its sales and profitability and ultimately to enhancing growth prospects of the Group and maximising returns for shareholders. The Board strongly believes that the solid business foundations, strong customer and government relationships as well as the quality of international gaming partnerships enjoyed by the Group, ideally position it to reach new heights when market opportunities emerge in the rapidly growing regulated lottery industry in China.

Financial Performance Review

For the Three-Month Period, the Group made approximately HK\$37.6 million in revenue, a decrease of approximately HK\$4.7 million or 11.1% against the corresponding period in 2012. Gross profit for the Three-Month Period amounted to approximately HK\$24.2 million, a decrease of approximately HK\$0.9 million or 3.7% against the corresponding period in 2012. This was mainly due to the change in revenue mix during the Three-Month Period. Most of the revenue was derived from gaming technologies (game software, systems, hardware and terminals) business and provision of sports lottery management and marketing consultancy services in the PRC.

Loss attributable to owners of the Company for the Three-Month Period amounted to approximately HK\$3.9 million primarily due to the share-based payments (totalling approximately HK\$4.8 million) as a result of the adoption of Hong Kong Financial Reporting Standard 2 *Share-based Payment* for share options of the Company granted to Directors, eligible employees and other eligible participants under the Share Option Scheme of the Company. It showed a continuing improvement of approximately HK\$7.8 million or 66.5% against the loss of approximately HK\$11.8 million of the corresponding period in 2012.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES OF HK\$0.002 EACH IN THE CAPITAL OF THE COMPANY ("SHARES"), UNDERLYING SHARES AND DEBENTURES

As at 31 March 2013, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b)

pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange, were as follows:

a. Interests in ordinary Shares:

Name of Director	Number of Shares			Approximate Percentage held
	Personal interest	Corporate interest	Total	
Mr. Sun Ho	27,078,000	2,006,250,000 (Note 1)	2,033,328,000	52.80%
Mr. Robert Geoffrey Ryan	5,347,750	—	5,347,750	0.14%
Mr. Bai Jinmin	6,687,500	44,876,600 (Note 2)	51,564,100	1.34%
Mr. Liang Yu	6,187,500	—	6,187,500	0.16%
Ms. Yang Yang	414,375	—	414,375	0.01%
Mr. Wang Ronghua	2,275,000	—	2,275,000	0.06%
Mr. Hua Fengmao	1,355,000	—	1,355,000	0.04%

Notes:

1. These 2,006,250,000 Shares were held in the name of MAXPROFIT GLOBAL INC. As MAXPROFIT GLOBAL INC is beneficially and wholly-owned by Mr. Sun Ho, an executive Director, chairman & chief executive officer (“CEO”) of the Company, Mr. Sun was deemed to be interested in such Shares.
2. These 44,876,600 Shares were held in the name of Fine Bridge International Limited. Fine Bridge International Limited is beneficially and wholly-owned by HB Resources Investment Limited, which in turn is beneficially and wholly-owned by Mr. Bai Jinmin, an executive Director of the Company. Accordingly, HB Resources Investment Limited and Mr. Bai were deemed to be interested in such Shares.

b. Long position in the underlying Shares in respect of the share options of the Company (which were regarded as unlisted physically settled equity derivatives):

				Number of underlying Shares entitled (in respect of share options of the Company)				
Name of Director	Date of grant	Exercise price per Share (HK\$)	Exercisable period	As at 1 January 2013	Granted during the Three-Month Period	Exercised during the Three-Month Period	As at 31 March 2013	Approximate percentage of issued share capital of the Company
Mr. Robert Geoffrey Ryan	9-10-2008	0.2198	9-10-2009–8-10-2013	3,343,750	–	–	3,343,750	0.09%
	21-12-2011	0.2900	21-12-2012–20-12-2016	21,264,000	–	–	21,264,000	0.55%
	17-8-2012	0.1006	17-8-2013–16-8-2017	3,500,000	–	–	3,500,000	0.09%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	8,000,000	–	8,000,000	0.21%
Mr. Bai Jinmin	9-10-2008	0.2198	9-10-2009–8-10-2013	3,343,750	–	–	3,343,750	0.09%
	21-12-2011	0.2900	21-12-2012–20-12-2016	21,264,000	–	–	21,264,000	0.55%
	17-8-2012	0.1006	17-8-2013–16-8-2017	3,500,000	–	–	3,500,000	0.09%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	8,000,000	–	8,000,000	0.21%
Mr. Liang Yu	9-10-2008	0.2198	9-10-2009–8-10-2013	3,343,750	–	–	3,343,750	0.09%
	21-12-2011	0.2900	21-12-2012–20-12-2016	21,264,000	–	–	21,264,000	0.55%
	17-8-2012	0.1006	17-8-2013–16-8-2017	3,500,000	–	–	3,500,000	0.09%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	8,000,000	–	8,000,000	0.21%
Ms. Yang Yang	9-10-2008	0.2198	9-10-2009–8-10-2013	334,375	–	–	334,375	0.01%
	21-12-2011	0.2900	21-12-2012–20-12-2016	2,000,000	–	–	2,000,000	0.05%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	1,000,000	–	1,000,000	0.03%
Mr. Wang Ronghua	21-12-2011	0.2900	21-12-2012–20-12-2016	2,000,000	–	–	2,000,000	0.05%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	1,000,000	–	1,000,000	0.03%
Mr. Hua Fengmao	21-12-2011	0.2900	21-12-2012–20-12-2016	2,000,000	–	–	2,000,000	0.05%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	1,000,000	–	1,000,000	0.03%
Mr. Kwok Wing Leung Andy	21-12-2011	0.2900	21-12-2012–20-12-2016	2,000,000	–	–	2,000,000	0.05%
	9-1-2013	0.4250	9-1-2014–8-1-2018	–	1,000,000	–	1,000,000	0.03%

Note: A portion of the option representing 25% of the total underlying Shares entitled under such option shall be vested in the grantee of the option in each of the 4 years during the exercisable period. If the grantee does not exercise such portion of the option within one year after it has been vested in him/her, such portion of the option will lapse.

Save as disclosed above, as at 31 March 2013, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares (in respect of share options of the Company which were regarded as unlisted physically settled equity derivatives) and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 March 2013, so far as was known to the Directors or chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests and long positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital and recorded in the register kept by the Company pursuant to section 336 of the SFO:

Interests in the Shares:

Name of shareholder	Capacity	Number of Shares held	Approximate percentage of issued share capital of the Company
MAXPROFIT GLOBAL INC	Beneficial owner (<i>Note</i>)	2,006,250,000	52.10%
Hegglin, Daniel Robert	Investor	232,939,933	6.05%

Note: As disclosed above, Mr. Sun Ho was deemed to be interested in these 2,006,250,000 Shares by virtue of his interest in MAXPROFIT GLOBAL INC.

Save as disclosed above, as at 31 March 2013, the Directors or chief executive of the Company were not aware of any other substantial shareholder (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any

class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital and recorded in the register kept by the Company pursuant to section 336 of the SFO.

INTERESTS OF OTHER PERSONS

As at 31 March 2013, apart from the interests in the Shares, underlying Shares and debentures of the Company and its associated corporations held by the Directors, chief executive and substantial shareholders of the Company stated above, there were no other persons with interests recorded in the register of the Company required to be kept under section 336 of the SFO.

INTERESTS IN COMPETING BUSINESS

During the Three-Month Period, none of the Directors or the controlling shareholder of the Company had an interest in a business, which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors, namely, Mr. Kwok Wing Leung Andy, Mr. Wang Ronghua and Mr. Hua Fengmao. The unaudited consolidated first quarterly results of the Group for the Three-Month Period have been reviewed and commented on by the audit committee.

The audit committee also discussed and recommended the “Disclosure Policy” to the Board for approval. The Disclosure Policy was designed to provide a general guide for the staff of the Company in handling confidential information and/or monitoring information disclosure regarding inside information pursuant to Part XIVA of the SFO and rules 17.10, 17.11 and 17.11A of the GEM Listing Rules.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of the shareholders of the Company.

During the Three-Month Period, the Company has adopted the code provisions and certain recommended best practices in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules, except that:

- under code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual. The roles of chairman and CEO of the Company were performed by the executive Director, Mr. Sun Ho, during the Three-Month Period. The Company considered that the combination of the roles of chairman and CEO could effectively formulate and implement the strategies of the Company. The Company considered that under the supervision of its Board and its independent non-executive Directors, a balancing mechanism existed so that the interests of shareholders were adequately and fairly represented. The Company considered that there was no imminent need to change the arrangement;

- under code provision A.4.2, every Director should be subject to retirement by rotation at least once every three years. However, pursuant to the Bye-laws, the chairman of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. During the Three-Month Period, the chairman of the Board was not subject to retirement by rotation, as the Board considered that the continuity of the office of the chairman provided the Group with strong and consistent leadership and was of great importance to the smooth operations of the Group;
- under code provision A.2.7, the chairman of the Board should at least annually hold meetings with the non-executive Directors (including independent non-executive Directors) without the executive Directors' presence. During the Three-Month Period the chairman of the Board did not hold such kind of private meetings with the non-executive Directors. The chairman of the Board considered that it was unnecessary as it would be more transparent to let the non-executive Directors speak out their views to all executive Directors in the full Board meetings which would be held at least four times a year. Besides, the chairman of the Board, being an executive Director himself, always welcomes all non-executive Directors to communicate with him directly via email or phone to discuss any matters of the Company from time to time;
- under code provision A6.6, each Director should disclose to the Company, among other things, an indication of the time involved by him/her in his/her offices held in other public companies or organisations and other significant commitments. During the Three-Month Period, no such disclosure was made by the Directors to the Company. As the Board had adopted a new corporate governance practice that each Director's contributions to the Group were reviewed and discussed at the Board meeting annually (the "Annual Contributions Review"), the Board considered that assessing the time spent by each Director on his/her commitments outside the Group was not necessary for the purposes of the Annual Contributions Review and that the disclosure of the time spent by a Director in performing his/her duties did not necessarily indicate accurately the efficiency of such Director and the effectiveness of his/her work, and may therefore be misleading;
- under code provision B.1.2, the remuneration committee should review and recommend to the Board for approval of the specific remuneration packages of senior management. The remuneration committee of the Company had reviewed its scope of duties and considered that the delegated responsibility to review and recommend to the Board to approve the specific remuneration packages of senior management should be vested in the executive Directors who have a better understanding of the level of expertise, experience and performance expectation of the senior management in the daily business operations. Notwithstanding the foregoing, the remuneration committee would continue to be primarily responsible for the review and recommendation of the remuneration packages of the Directors; and

- under code provision B.1.5, the Company should disclose details of any remuneration payable to members of senior management by band in its annual report. The Company did not make such disclosure in its annual report as the Board considered that (i) the remuneration of any newly appointed “chief executive” (as defined under the GEM Listing Rules) would have already been disclosed in the announcement previously issued by the Company in respect of such appointment in accordance with GEM Listing Rule 17.50(2)(g); (ii) the five highest paid employees within the Group had already been disclosed in the notes to the consolidated financial statements of the Group in the annual report, and (iii) giving further details of remuneration for each and every senior management staff would result in particulars of excessive length and no additional value to the Shareholders, whilst at the same time may impair the flexibility of the Group in its negotiations of remuneration packages for senior management staff (especially those who are not Directors or chief executive of the Group and hence are not supposed to be subject to the aforesaid disclosure requirement under GEM Listing Rule 17.50(2)(g)) should it need to find replacement staff or recruit additional senior personnel in the future.

(The above deviations were similarly disclosed on page 29 and 30 of the Company’s annual report for the year ended 31 December 2012)

With effect from 7 March 2013, Mr. Kwok Wing Leung Andy has resigned as an executive director of Asia Coal Limited (its issued shares are listed on the Main Board of the Stock Exchange).

Corporate Governance Committee

The corporate governance committee comprises two persons, namely, the Chairman Mr. Sun Ho and the Company Secretary Mr. Wong Wai Sing. During the Three-Month Period, a meeting was held to devise internal control policy to ensure compliance with the requirements of the amendments to SFO on 1 January 2013 regarding inside information. This was subsequently incorporated in the “Disclosure Policy” discussed and subsequently approved by the audit committee and the Board.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Three-Month Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

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

Hong Kong, 10 May 2013

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho, Mr. Robert Geoffrey Ryan, Mr. Bai Jinmin and Mr. Liang Yu as executive Directors; (ii) Ms. Yang Yang as non-executive Director; and (iii) Mr. Wang Ronghua, Mr. Hua Fengmao and Mr. Kwok Wing Leung Andy as independent non-executive Directors.

This announcement will remain on the “Latest Company Announcement” page of the GEM website operated by the Stock Exchange at 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.