

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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, and 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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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

- The Group's Virtual Football game secured MOF approval on 16 October 2013. The game has a 69% payout ratio, the highest in China, and will initially be launched in Jiangsu province, China's largest lottery market by sales. The game joins the Group's popular Lucky Racing game as one of only two nationally-approved, rapid-draw, fixed-odds virtual sports lottery games in China. Like Lucky Racing, the game is expected to be rolled out nationally.
- Total revenue of the Group for the Nine-Month Period amounted to approximately HK\$119.6 million, a decrease of approximately HK\$44.0 million or 26.9% from the corresponding period in 2012. Most of the revenue was derived from gaming technology (game software, systems, hardware and terminals) services and from sports lottery management and marketing consultancy services in the PRC. The decline in revenue was expected and is mostly attributable to the expiry of certain contracts in the lottery management division as the Group continues its transitions to a gaming technology services focused Group.
- Gross profit of the Group amounted to approximately HK\$61.2 million, a decrease of approximately HK\$5.1 million or 7.7% over the corresponding period in 2012. Gross profit margin increased to 51.2% versus 40.6% in the corresponding period in 2012.
- Loss from business operations amounted to approximately HK\$12.6 million, an increase of approximately HK\$6.9 million over the corresponding period in 2012.
- Loss attributable to owners of the Company for the Nine-Month Period amounted to approximately HK\$74.1 million, primarily due to the share-based payments (totalling approximately HK\$55.4 million for the Nine-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 and to a company which is beneficially owned by Mr. Cheung Lup Kwan under general mandate (this share option alone resulted in an once-off share-based payment of approximately HK\$38.6 million).
- The Board does not recommend the payment of an interim dividend for the Nine-Month Period.

THIRD 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 30 September 2013 (the “Three-Month Period”) and the nine months ended 30 September 2013 (the “Nine-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-Month Period and the Nine-Month Period

		Three months ended 30 September		Nine months ended 30 September	
		2013	2012	2013	2012
	Notes	HK\$	HK\$	HK\$	HK\$
Revenue	2	22,379,593	64,292,520	119,573,441	163,579,187
Cost of sales and services		(12,088,927)	(45,587,386)	(58,354,690)	(97,235,443)
Gross profit		10,290,666	18,705,134	61,218,751	66,343,744
Investment and other income		900,496	389,190	1,930,265	1,388,366
Selling and administrative expenses		(25,211,282)	(22,130,141)	(75,777,864)	(73,411,879)
Loss from business operations		(14,020,120)	(3,035,817)	(12,628,848)	(5,679,769)
Share-based payments		(6,472,633)	(3,438,217)	(55,428,305)	(8,066,615)
Net foreign exchange (loss)/gain		(55,376)	50,259	(91,540)	(84,372)
Amortisation of other intangible assets		(134,643)	(59,925)	(372,007)	(19,212,288)
Finance costs		(133,581)	(23,908)	(469,853)	(2,098,595)
Loss before tax		(20,816,353)	(6,507,608)	(68,990,553)	(35,141,639)
Income tax (expense)/credit	3	(1,383,847)	(1,618,120)	(6,250,932)	1,142,292
Loss for the period		(22,200,200)	(8,125,728)	(75,241,485)	(33,999,347)
Loss attributable to:					
Owners of the Company		(21,469,690)	(8,717,544)	(74,120,041)	(35,932,706)
Non-controlling interests		(730,510)	591,816	(1,121,444)	1,933,359
		(22,200,200)	(8,125,728)	(75,241,485)	(33,999,347)
Loss per share					
Basic and diluted	4	HK0.501 cent	HK0.227 cent	HK1.826 cents	HK0.935 cent

	Three months ended 30 September		Nine months ended 30 September	
	2013	2012	2013	2012
	HK\$	HK\$	HK\$	HK\$
Loss for the period	(22,200,200)	(8,125,728)	(75,241,485)	(33,999,347)
Other comprehensive income, net of income tax				
Translation differences on translating foreign operations	<u>6,186,247</u>	<u>(1,974,118)</u>	<u>29,253,033</u>	<u>2,589,723</u>
Total comprehensive income for the period	<u>(16,013,953)</u>	<u>(10,099,846)</u>	<u>(45,988,452)</u>	<u>(31,409,624)</u>
Total comprehensive income attributable to:				
Owners of the Company	(15,323,604)	(10,692,439)	(45,045,411)	(33,362,588)
Non-controlling interests	<u>(690,349)</u>	<u>592,593</u>	<u>(943,041)</u>	<u>1,952,964</u>
Total comprehensive income for the period	<u>(16,013,953)</u>	<u>(10,099,846)</u>	<u>(45,988,452)</u>	<u>(31,409,624)</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 (“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.

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 technology (game software, systems, hardware and terminals) services and from sports lottery management and marketing consultancy services in the People's Republic of China ("China" or the "PRC") during the Three-Month Period and the Nine-Month Period.

(3) INCOME TAX

Income tax for the Nine-Month Period represents the net amount of deferred taxation credit of approximately HK\$0.3 million and PRC Enterprise Income Tax of approximately HK\$6.5 million.

(4) LOSS PER SHARE

The calculation of basic and diluted loss per share for the Three-Month Period and the Nine-Month Period is based on the unaudited loss attributable to owners of the Company of HK\$21,469,690 and HK\$74,120,041 respectively (for the three months and nine months ended 30 September 2012: net loss of HK\$8,717,544 and HK\$35,932,706 respectively), and the weighted average number of 4,287,793,638 and 4,059,795,495 ordinary shares in issue during the Three-Month Period and the Nine-Month Period respectively (for both the three months and nine months ended 30 September 2012: 3,843,953,375).

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 Nine-Month Period (2012: Nil).

(6) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the Nine-Month Period

	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		
	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	1,065,350,960
Loss for the period	-	-	-	-	-	-	(74,120,041)	(74,120,041)	(75,241,485)
Other comprehensive income for the period	-	-	-	-	29,074,630	-	-	29,074,630	29,253,033
Total comprehensive income for the period	-	-	-	-	29,074,630	-	(74,120,041)	(45,045,411)	(45,988,452)
Recognition of equity-settled share-based payments	-	-	55,660,194	-	-	-	-	55,660,194	55,660,194
Shares issued on exercise of part of share options	123,857	56,681,273	(44,806,809)	-	-	-	-	11,998,321	11,998,321
Lapse of share options	-	-	(576,053)	-	-	-	344,165	(231,888)	(231,888)
Issue of Shares upon share placing	813,043	139,436,955	-	-	-	-	-	140,249,998	140,249,998
Transfer to accumulated losses	-	-	-	(1,403,763)	-	-	1,403,763	-	-
Balance at 30 September 2013	8,624,807	1,370,673,155	85,594,612	9,342,868	193,182,467	47,191,476	(488,753,812)	1,225,855,573	1,227,039,133
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	1,080,608,720
Loss for the period	-	-	-	-	-	-	(35,932,706)	(35,932,706)	(33,999,347)
Other comprehensive income for the period	-	-	-	-	2,570,118	-	-	2,570,118	2,589,723
Total comprehensive income for the period	-	-	-	-	2,570,118	-	(35,932,706)	(33,362,588)	(31,409,624)
Recognition of equity-settled share-based payments	-	-	11,304,194	-	-	-	-	11,304,194	11,304,194
Shares issued on exercise of part of share options	-	-	-	-	-	-	-	-	-
Lapse of share options	-	-	(5,816,075)	-	-	-	2,578,495	(3,237,580)	(3,237,580)
Transfer from accumulated losses	-	-	-	697,743	-	-	(697,743)	-	-
Balance at 30 September 2012	7,687,907	1,174,554,927	137,876,159	6,697,069	160,596,779	47,191,476	(479,892,912)	1,054,711,405	1,057,265,710

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 and 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 China's only two nationally approved virtual fixed odds sports betting games, Virtual Football and "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).

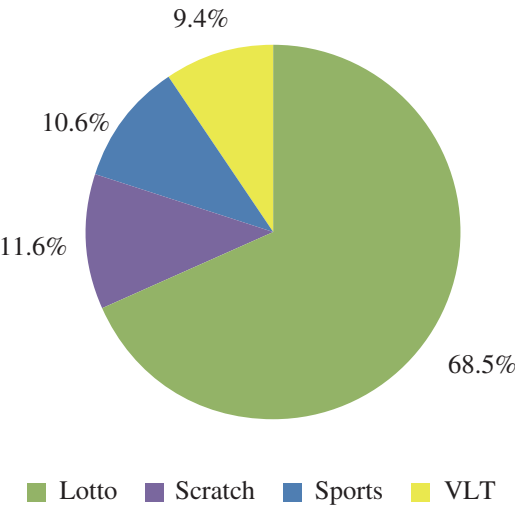
Corporate Strategy and Objectives

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

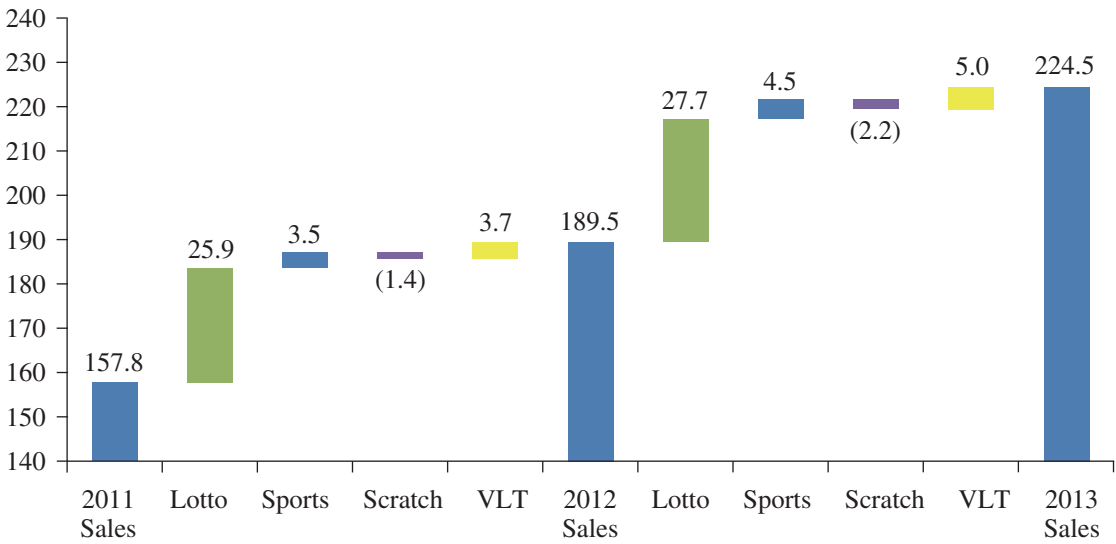
According to information published by the Ministry of Finance of the PRC, for the Nine-Month Period, the lottery market recorded sales of RMB224.5 billion, an increase of approximately 18.5% compared to the corresponding period in 2012 (versus 20.1% growth in the same period last year). Of this, sports lottery amounted to approximately RMB96.4 billion (accounting for 43.0% of total lottery sales), an increase of approximately 23.0% year on year. The Welfare lottery achieved sales of approximately RMB128.1 billion (57.0% of total lottery sales), an increase of approximately 15.3% against the corresponding period in 2012.

Market share of Sales by Product (Q1-Q3 2013)



Source: PRC Ministry of Finance

China Lottery Sales Bridge Q1-Q3 2011 – Q1-Q3 2013 (RMB billion)



Source: PRC Ministry of Finance

China Lottery Sales Growth Comparison by Product (Q1-Q3 2013 vs. Q1-Q3 2012)



Source: PRC Ministry of Finance

The slight decline in the pace of overall sales growth in the first nine months of 2013 relative to the same period in 2012 has been mainly driven by a reduction in the rate of growth in the largest segment, Lotto and, to a lesser extent, in the smaller Scratch segment. Given their relatively small contribution to the overall sales mix, the improved growth rates in sports betting and video lottery terminals (“VLT”) was not sufficient to counteract the declines in the growth rates of Lotto and Scratch.

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 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’s newly approved Virtual Football game is classified as a Sports Betting game (69% payout ratio, equal to the highest return to player of any lottery product in China) and is expected to become a material driver of the performance of Sports Betting sales in the coming months and years.

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. Further development in such areas would be extremely positive for the Group and its Virtual Sports, GOT and Online and Mobile Lottery businesses in particular.

Business Review

As expected, during the quarter under review, the Group recorded a decline in revenue while improving its gross profit margins. The decline in revenue was expected and is attributable to the expiry of certain contracts in the Lottery Management division and year-on-year variation in timing of order delivery in our hardware business. The Group is in the process of transitioning from the legacy, lower-growth Lottery Management business to its high growth Gaming Technology business. In the Three-Month Period, the Lottery Management division contributed less than 15% of Group revenue demonstrating that this transition is largely complete.

Our Gaming Technologies division has performed strongly, with our GOT hardware business benefitting from the domestic lottery terminal replacement cycle that is currently underway. Sales from our Virtual Sports Betting business, which are generated on a participation (revenue sharing) basis, are expected to increase materially in the coming quarters through the national roll-out of our virtual motor racing game, “Lucky Racing” and thanks to the imminent launch of our newly nationally approved Virtual Football game in China’s largest lottery province, Jiangsu.

Gaming Technologies Business

Virtual Fixed Odds Sports Betting

With the recent announcement of the landmark national approval of the Group’s Virtual Football game, our virtual fixed odds sports betting products have become a proven concept in China. Virtual Sports Betting is now a fully accepted, rapidly growing, multi-product game category for China.

Virtual Football has been classified by the National Sports Lottery Administration Centre (“NSLAC”) as a sports betting game and will accordingly operate with a 69% payout ratio, the highest payout category in China. AGTech’s subsidiary “AGT” has entered into a long-term agreement with Jiangsu Sports Lottery Administration Centre (“Jiangsu SLAC”) to provide Jiangsu SLAC with the Virtual Football game and its underlying system and services on a revenue-sharing basis. AGT is AGTech’s long-standing joint venture with the UK’s Ladbroke Group (a world leader in betting and gaming). Virtual Football joins the Group’s exceptionally popular and highly successful Lucky Racing game as one of only two nationally-approved, rapid-draw, fixed-odds virtual sports lottery games in China. Televised in sports lottery stores, Virtual Football will offer a high frequency of betting opportunities with four matches every twenty minutes. Virtual Football will offer customers cutting edge graphics, exciting audio commentary and will provide similar betting types to NSLAC’s fixed odds sports lottery product, Jing Cai, such as: half time and full time outcome (win, lose, draw); correct score; total goals; and accumulators. All bets will offer players a fixed odds payout (i.e. not pool betting). Jiangsu is the leading province in China’s lottery market and China is the second largest lottery market in the world. In 2012, Jiangsu recorded sports lottery sales of over RMB16 billion, ranking as the number one province nationally with a 14.6% market share.

During the period under review, the Group's virtual motor racing game "Lucky Racing" (「幸運賽車」) has continued to operate in Hunan province, in advance of a planned national rollout across the PRC. In the third quarter, the game has continued to perform strongly, delivering approximately 30% of total sports lottery sales in Hunan province. Lucky Racing is a virtual sports betting game that is televised in lottery stores, 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) and first three and via singles or accumulator style bets.

As well as working with NSLAC on the launch of Virtual Football in Jiangsu and the planned national roll-out of the game, the Group is also actively working with NSLAC to integrate the Lucky Racing system into the national sports lottery's "Next Generation" system. This project is now close to completion. With Lucky Racing already having achieved 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. It is expected that Virtual Football and Lucky Racing have the potential to expand nationwide via other channels such as mobile, internet and Internet Protocol Television (IPTV) (subject to the necessary approvals).

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 an 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 conclusion of NSLAC's terminal supplier selection and evaluation process earlier this year, the terminal replacement cycle is now well underway. The Group was pleased to announce that it has so far won the first five supply tenders of this replacement cycle, securing supply contracts for the provinces of Anhui, Guizhou, Zhejiang, Shaanxi and Inner Mongolia, provinces that collectively account for more than 10% of the sports lottery sales in China. The lottery terminal supply contract won in Inner Mongolia secured a new market for GOT, taking its geographic reach to 28 of the provinces and municipalities in China. GOT was also pleased to announce that it has been selected as a supplier of Single Match Betting terminals in Guangdong, demonstrating that GOT's terminals are compatible with all computerised sports lottery products in China. GOT's first international order of over 500 next generation GOT C8 terminals for South Africa's Gold Circle (PTY) Limited was delivered earlier this year and the terminals are now fully operational. 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 the GOT's business and to broaden its product spectrum domestically and overseas.

Lottery Management Business

The Group's Lottery Management Business represented less than 15% of Group sales in the Three-Month Period and 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 continue to 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/400 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 Virtual Football and Lucky Racing, should also benefit from any introduction of a legitimate remote distribution channel in China and the Group will directly participate in this via revenue sharing arrangements.

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. The Board believes that, in the coming months, the business will enjoy rapid growth and achieve further significant milestones. Firstly, in the near future, the Group will help NSLAC to launch our Virtual Football game in China's largest lottery market, Jiangsu province, as a precursor to a planned national expansion. 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 rollout of this game to be removed by the end 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 the GOT business, the Group will build on its leadership position in the terminal replacement cycle in the sports lottery, continue its overseas expansion and look to broaden its product range to VLT.

In light of a number of important regulatory announcements that have legitimised the distribution of lottery products via internet and mobile channels, most recently the "Administrative Measures on Lottery Distribution and Sales" 《彩票發行銷售管理辦法》 issued in January 2013, 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.

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 maximizing 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 Nine-Month Period, the Group recorded revenue of approximately HK\$119.6 million, a decrease of approximately HK\$44.0 million or 26.9% against the corresponding period in 2012. Gross profit for the Nine-Month Period amounted to approximately HK\$61.2 million, a decrease of approximately HK\$5.1 million or 7.7% against the corresponding period in 2012. Most of the revenue was derived from gaming technology (game software, systems, hardware and terminals) services and from sports lottery management and marketing consultancy services in the PRC. The decline in revenue was expected and is mostly attributable to the expiry of certain contracts in the lottery management division as the Group continues its transitions to a gaming technology services focused Group.

Loss attributable to owners of the Company for the Nine-Month Period amounted to approximately HK\$74.1 million primarily due to the share-based payment expense (totalling approximately HK\$55.4 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 and to a company beneficially owned by Mr. Cheung Lup Kwan under general mandate (this share option alone resulted in an once-off share-based payment of HK\$38.6 million). This share option carried right to subscribe for up to a maximum of 212,879,224 Shares at an exercise price of HK\$0.40 per Share (subject to adjustments) on 21 May 2013 and was fully vested on the day of grant.

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

As at 30 September 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	2,033,328,000	47.15%
Mr. Robert Geoffrey Ryan	8,691,500	–	8,691,500	0.20%
Mr. Bai Jinmin	10,906,250	44,876,600	55,782,850	1.29%
		(Note 2)		
Mr. Liang Yu	10,406,250	–	10,406,250	0.24%
Ms. Yang Yang	748,750	–	748,750	0.02%
Mr. Ho King Fung, Eric	–	–	–	0%
Mr. Wang Ronghua	2,275,000	–	2,275,000	0.05%
Mr. Hua Fengmao	1,355,000	–	1,355,000	0.03%
Ms. Monica Maria Nunes	–	–	–	0%

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 and 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):

Name of Director	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Number of underlying Shares entitled (in respect of share options of the Company)				As at 30 September 2013	Approximate percentage of issued share capital of the Company
				As at 1 January 2013	Granted during the Nine-Month Period	Exercised during the Nine-Month Period	Lapsed during the Nine-Month Period		
Mr. Robert Geoffrey Ryan	9-10-2008	0.2198	9-10-2009 – 8-10-2013	3,343,750	–	(3,343,750)	–	–	0.00%
	21-12-2011	0.2900	21-12-2012 – 20-12-2016	21,264,000	–	–	–	21,264,000	0.49%
	17-8-2012	0.1006	17-8-2013 – 16-8-2017	3,500,000	–	–	–	3,500,000	0.08%
	9-1-2013	0.4250	9-1-2014 – 8-1-2018	–	8,000,000	–	–	8,000,000	0.19%

				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 Nine-Month Period	Exercised during the Nine-Month Period	Lapsed during the Nine-Month Period	As at 30 September 2013	Approximate percentage of issued share capital of the Company
Mr. Bai Jinmin	9-10-2008	0.2198	9-10-2009 – 8-10-2013	3,343,750	–	(3,343,750)	–	–	0.00%
	21-12-2011	0.2900	21-12-2012 – 20-12-2016	21,264,000	–	–	–	21,264,000	0.49%
	17-8-2012	0.1006	17-8-2013 – 16-8–2017	3,500,000	–	(875,000)	–	2,625,000	0.06%
	9-1-2013	0.4250	9-1-2014 – 8-1–2018	–	8,000,000	–	–	8,000,000	0.19%
Mr. Liang Yu	9-10-2008	0.2198	9-10-2009 – 8-10-2013	3,343,750	–	(3,343,750)	–	–	0.00%
	21-12-2011	0.2900	21-12-2012 – 20-12-2016	21,264,000	–	–	–	21,264,000	0.49%
	17-8-2012	0.1006	17-8-2013 – 16-8–2017	3,500,000	–	(875,000)	–	2,625,000	0.06%
	9-1-2013	0.4250	9-1-2014 – 8-1–2018	–	8,000,000	–	–	8,000,000	0.19%
Ms. Yang Yang	9-10-2008	0.2198	9-10-2009 – 8-10-2013	334,375	–	(334,375)	–	–	0.00%
	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	0.02%
Mr. Ho King Fung Eric	23-5-2013	0.4890	23-5-2014 – 22-5–2018	–	42,575,844	–	–	42,575,844	0.99%
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	0.02%
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	0.02%

Name of Director	Date of grant	Exercise price per Share (HK\$)	Exercisable period	Number of underlying Shares entitled (in respect of share options of the Company)					As at 30 September 2013	Approximate percentage of issued share capital of the Company
				As at 1 January 2013	Granted during the Nine-Month Period	Exercised during the Nine-Month Period	Lapsed during the Nine-Month Period			
Mr. Kwok Wing	21-12-2011	0.2900	21-12-2012 – 20-12-2016	2,000,000	–	(500,000)	(1,500,000)	–	–	0.00%
Leung Andy (resigned on 20 June 2013)	9-1-2013	0.4250	9-1-2014 – 8-1-2018	–	1,000,000	–	(1,000,000)	–	–	0.00%
Ms. Monica Maria Nunes	20-6-2013	0.4740	20-6-2014 – 19-6-2018	–	1,500,000	–	–	1,500,000	–	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 30 September 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 30 September 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:

a. 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	2,006,250,000 (Note 1)	46.52%
Hegglin, Daniel Robert	Beneficial owner	255,483,933	5.92%
Rainwood Resources Limited	Beneficial owner	289,852,000	6.72%
Mr. Cheung Lup Kwan	Interest of controlled corporation	289,852,000 (Note 2)	6.72%

Notes:

1. 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.
2. These 289,852,000 Shares were held in the name of Rainwood Resources Limited, which is beneficially and wholly-owned by Mr. Cheung Lup Kwan. Accordingly, Mr. Cheung was deemed to be interested in such Shares.

- b. Long position in the underlying Shares in respect of the share option granted under general mandate by the Company (which was regarded as an unlisted physically settled equity derivative):

Name of shareholder	Capacity	Number of Shares held	Approximate percentage of issued share capital of the Company
Rainwood Resources Limited	Beneficial owner	212,879,224	4.94%
Mr. Cheung Lup Kwan	Interest of controlled corporation	212,879,224 (Note)	4.94%

Note:

On 21 May 2013, Rainwood Resources Limited was granted a share option under general mandate by the Company entitling it to subscribe for up to a maximum of 212,879,224 Shares at an exercise price of HK\$0.40 per Share (subject to adjustments) exercisable for a period of three years, which was vested in the grantee on the date of grant. As disclosed above, Mr. Cheung Lup Kwan was deemed to be interested in this share option by virtue of his interest in Rainwood Resources Limited.

Save as disclosed above, as at 30 September 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 30 September 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 Nine-Month period, none of the Directors or the controlling shareholder of the Company had an interest in a business, which competes or might compete with the business of the Group.

AUDIT COMMITTEE

The audit committee of the Company comprises three independent non-executive Directors, namely, Ms. Monica Maria Nunes, Mr. Wang Ronghua and Mr. Hua Fengmao. The unaudited consolidated results of the Group for the Nine-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 Nine-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 Nine-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 Nine-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 Nine-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 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 Nine-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)

Corporate Governance Committee

During the Nine-Month Period, meetings were held to devise internal control policy to ensure compliance with the requirements of the amendments to SFO on 1 January 2013 regarding inside information and devise a policy of Board diversity in response to the new corporate governance code requirement of Stock Exchange of Hong Kong (“Board Diversity Policy”). The inside information requirement was subsequently incorporated in the “Disclosure Policy” discussed and approved by the audit committee and the Board. The Board Diversity Policy and corresponding amendments to the terms of reference of the Nomination Committee were recommended to the Nomination Committee and the Board for consideration and approval.

Nomination Committee

During the Nine-Month Period, meetings were held to nominate the two newly appointed directors, namely Mr. Ho King Fung Eric as non-executive Director on 23 May 2013 and Ms. Monica Maria Nunes as independent non-executive Director on 20 June 2013. The new corporate governance code requirement of Stock Exchange of Hong Kong regarding the Board Diversity matters was considered. The committee also reviewed the board composition and measurable objectives to assess the achievement of the Board Diversity Policy since 1 September 2013. The Board Diversity Policy, the review of the board composition and the corresponding amendments to the terms of reference of Nomination Committee were finally recommended to the Board for approval. The terms of reference of Nomination Committee was revised accordingly with respect to the Board Diversity Policy.

Remuneration Committee

During the Nine-Month Period, meetings were held to consider the remuneration of the two newly appointed directors, namely Mr. Ho King Fung Eric as non-executive director on 23 May 2013 and Ms. Monica Maria Nunes as independent non-executive Director on 20 June 2013 and review the remuneration packages of executive Directors and grant of share options under Share Option Scheme of the Company adopted on 18 November 2004.

REQUIRED STANDARD OF DEALINGS REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings regarding securities transactions by Directors set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for dealings in securities of the Company by the Directors (the “Code of Conduct”). Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings set out in the Code of Conduct during the Nine-Month Period.

SHARE OPTION SCHEME

During the Nine-Month Period, options for 236,651,688 Shares were granted by the Company pursuant to its Share Option Scheme. During the Nine-Month Period, options for 61,928,500 Shares were exercised and options for 7,850,000 Shares were lapsed. As at 30 September 2013, there were options for 470,430,688 Shares remained outstanding.

The following table discloses details and movements of the Company’s share options held by Directors, eligible employees and eligible participants of the Group under the Share Option Scheme of the Company during the Nine-Month Period:

Name	Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
Directors:								
Mr. Robert Geoffrey Ryan	9-10-2008	0.2198	9-10-2012-8-10-2013	3,343,750	-	(3,343,750)	-	-
	21-12-2011	0.2900	21-12-2012-20-12-2013	5,316,000	-	-	-	5,316,000
			21-12-2013-20-12-2014	5,316,000	-	-	-	5,316,000
			21-12-2014-20-12-2015	5,316,000	-	-	-	5,316,000
			21-12-2015-20-12-2016	5,316,000	-	-	-	5,316,000

Name	Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
	17-8-2012	0.1006	17-8-2013-16-8-2014	875,000	–	–	–	875,000
			17-8-2014-16-8-2015	875,000	–	–	–	875,000
			17-8-2015-16-8-2016	875,000	–	–	–	875,000
			17-8-2016-16-8-2017	875,000	–	–	–	875,000
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	2,000,000	–	–	2,000,000
			9-1-2015-8-1-2016	–	2,000,000	–	–	2,000,000
			9-1-2016-8-1-2017	–	2,000,000	–	–	2,000,000
			9-1-2017-8-1-2018	–	2,000,000	–	–	2,000,000
Mr. Bai Jinmin	9-10-2008	0.2198	9-10-2012-8-10-2013	3,343,750	–	(3,343,750)	–	–
	21-12-2011	0.2900	21-12-2012-20-12-2013	5,316,000	–	–	–	5,316,000
			21-12-2013-20-12-2014	5,316,000	–	–	–	5,316,000
			21-12-2014-20-12-2015	5,316,000	–	–	–	5,316,000
			21-12-2015-20-12-2016	5,316,000	–	–	–	5,316,000
	17-8-2012	0.1006	17-8-2013-16-8-2014	875,000	–	(875,000)	–	–
			17-8-2014-16-8-2015	875,000	–	–	–	875,000
			17-8-2015-16-8-2016	875,000	–	–	–	875,000
			17-8-2016-16-8-2017	875,000	–	–	–	875,000

Name	Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	2,000,000	–	–	2,000,000
			9-1-2015-8-1-2016	–	2,000,000	–	–	2,000,000
			9-1-2016-8-1-2017	–	2,000,000	–	–	2,000,000
			9-1-2017-8-1-2018	–	2,000,000	–	–	2,000,000
Mr. Liang Yu	9-10-2008	0.2198	9-10-2012-8-10-2013	3,343,750	–	(3,343,750)	–	–
	21-12-2011	0.2900	21-12-2012-20-12-2013	5,316,000	–	–	–	5,316,000
			21-12-2013-20-12-2014	5,316,000	–	–	–	5,316,000
			21-12-2014-20-12-2015	5,316,000	–	–	–	5,316,000
			21-12-2015-20-12-2016	5,316,000	–	–	–	5,316,000
	17-8-2012	0.1006	17-8-2013-16-8-2014	875,000	–	(875,000)	–	–
			17-8-2014-16-8-2015	875,000	–	–	–	875,000
			17-8-2015-16-8-2016	875,000	–	–	–	875,000
			17-8-2016-16-8-2017	875,000	–	–	–	875,000
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	2,000,000	–	–	2,000,000
			9-1-2015-8-1-2016	–	2,000,000	–	–	2,000,000
			9-1-2016-8-1-2017	–	2,000,000	–	–	2,000,000
			9-1-2017-8-1-2018	–	2,000,000	–	–	2,000,000

Name	Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
Ms. Yang Yang	9-10-2008	0.2198	9-10-2012-8-10-2013	334,375	–	(334,375)	–	–
	21-12-2011	0.2900	21-12-2012-20-12-2013	500,000	–	–	–	500,000
			21-12-2013-20-12-2014	500,000	–	–	–	500,000
			21-12-2014-20-12-2015	500,000	–	–	–	500,000
			21-12-2015-20-12-2016	500,000	–	–	–	500,000
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	250,000	–	–	250,000
			9-1-2015-8-1-2016	–	250,000	–	–	250,000
			9-1-2016-8-1-2017	–	250,000	–	–	250,000
			9-1-2017-8-1-2018	–	250,000	–	–	250,000
Mr. Ho King Fung, Eric	23-5-2013	0.4890	23-5-2014-22-5-2015	–	10,643,961	–	–	10,643,961
			23-5-2015-22-5-2016	–	10,643,961	–	–	10,643,961
			23-5-2016-22-5-2017	–	10,643,961	–	–	10,643,961
			23-5-2017-22-5-2018	–	10,643,961	–	–	10,643,961
Mr. Wang Ronghua	21-12-2011	0.2900	21-12-2012-20-12-2013	500,000	–	–	–	500,000
			21-12-2013-20-12-2014	500,000	–	–	–	500,000
			21-12-2014-20-12-2015	500,000	–	–	–	500,000
			21-12-2015-20-12-2016	500,000	–	–	–	500,000

Name	Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	250,000	–	–	250,000
			9-1-2015-8-1-2016	–	250,000	–	–	250,000
			9-1-2016-8-1-2017	–	250,000	–	–	250,000
			9-1-2017-8-1-2018	–	250,000	–	–	250,000
Mr. Hua Fengmao	21-12-2011	0.2900	21-12-2012-20-12-2013	500,000	–	–	–	500,000
			21-12-2013-20-12-2014	500,000	–	–	–	500,000
			21-12-2014-20-12-2015	500,000	–	–	–	500,000
			21-12-2015-20-12-2016	500,000	–	–	–	500,000
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	250,000	–	–	250,000
			9-1-2015-8-1-2016	–	250,000	–	–	250,000
			9-1-2016-8-1-2017	–	250,000	–	–	250,000
			9-1-2017-8-1-2018	–	250,000	–	–	250,000
Mr. Kwok Wing Leung Andy (resigned on 20 June 2013)	21-12-2011	0.2900	21-12-2012-20-12-2013	500,000	–	(500,000)	–	–
			21-12-2013-20-12-2014	500,000	–	–	(500,000)	–
			21-12-2014-20-12-2015	500,000	–	–	(500,000)	–
			21-12-2015-20-12-2016	500,000	–	–	(500,000)	–

Name	Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
	9-1-2013	0.4250	9-1-2014-8-1-2015	–	250,000	–	(250,000)	–
			9-1-2015-8-1-2016	–	250,000	–	(250,000)	–
			9-1-2016-8-1-2017	–	250,000	–	(250,000)	–
			9-1-2017-8-1-2018	–	250,000	–	(250,000)	–
Ms. Monica Maria Nunes	20-6-2013	0.4740	20-6-2014-19-6-2015	–	375,000	–	–	375,000
			20-6-2015-19-6-2016	–	375,000	–	–	375,000
			20-6-2016-19-6-2017	–	375,000	–	–	375,000
			20-6-2017-19-6-2018	–	375,000	–	–	375,000
Eligible employees and other eligible participants:								
	9-10-2008	0.2198	9-10-2012-8-10-2013	28,171,875	–	(16,796,875)	–	11,375,000
	6-7-2010	0.300	6-7-2012-5-7-2013	1,000,000	–	(1,000,000)	–	–
			6-7-2013-5-7-2014	1,000,000	–	(875,000)	–	125,000
			6-7-2014-5-7-2015	1,000,000	–	–	–	1,000,000
	30-3-2011	0.330	30-3-2012-29-3-2013	2,850,000	–	–	(2,850,000)	–
			30-3-2013-29-3-2014	2,850,000	–	(500,000)	–	2,350,000
			30-3-2014-29-3-2015	2,850,000	–	–	–	2,850,000
			30-3-2015-29-3-2016	2,850,000	–	–	–	2,850,000

Date of grant	Exercise price per Share HK\$	Exercisable period	Outstanding as at 1 January 2013	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 September 2013
21-12-2011	0.2900	21-12-2012– 20-12-2013	21,159,750	–	(10,281,250)	–	10,878,500
		21-12-2013– 20-12-2014	21,159,750	–	–	–	21,159,750
		21-12-2014– 20-12-2015	21,159,750	–	–	–	21,159,750
		21-12-2015– 20-12-2016	21,159,750	–	–	–	21,159,750
17-8-2012	0.1006	17-8-2013– 16-8-2014	20,922,250	–	(19,859,750)	–	1,062,500
		17-8-2014– 16-8-2015	20,922,250	–	–	–	20,922,250
		17-8-2015– 16-8-2016	20,922,250	–	–	–	20,922,250
		17-8-2016– 16-8-2017	20,922,250	–	–	–	20,922,250
9-1-2013	0.4250	9-1-2014– 8-1-2015	–	30,500,000	–	(625,000)	29,875,000
		9-1-2015– 8-1-2016	–	30,500,000	–	(625,000)	29,875,000
		9-1-2016– 8-1-2017	–	30,500,000	–	(625,000)	29,875,000
		9-1-2017– 8-1-2018	–	30,500,000	–	(625,000)	29,875,000
23-5-2013	0.4890	23-5-2014– 22-5-2015	–	10,643,961	–	–	10,643,961
		23-5-2015– 22-5-2016	–	10,643,961	–	–	10,643,961
		23-5-2016– 22-5-2017	–	10,643,961	–	–	10,643,961
		23-5-2017– 22-5-2018	–	10,643,961	–	–	10,643,961
Total			<u>303,557,500</u>	<u>236,651,688</u>	<u>(61,928,500)</u>	<u>(7,850,000)</u>	<u>470,430,688</u>
Exercisable at the end of the period			<u>81,495,250</u>				<u>44,114,000</u>
Weighted average exercise price of the outstanding share option			<u>HK\$0.2239</u>				<u>HK\$0.2657</u>

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

For illustration purpose, figures in RMB in this announcement have been translated into HK\$ at the exchange rate of RMB1 = HK\$1.264.

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

Hong Kong, 8 November 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 and Mr. Ho King Fung, Eric as non-executive Directors; and (iii) Ms. Monica Maria Nunes, Mr. Wang Ronghua and Mr. Hua Fengmao 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.