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AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

**(1) COMPLETION OF THE SUBSCRIPTION OF SUBSCRIPTION
SHARES AND CONVERTIBLE BONDS
(2) PARTIAL CONVERSION OF CONVERTIBLE BONDS
AND
(3) CHANGE OF DIRECTORS**

COMPLETION OF SUBSCRIPTION

The Completion took place on 10 August 2016 following satisfaction and waiver of the conditions precedent in accordance with the terms of the Subscription Agreement. A total of 4,817,399,245 Subscription Shares and Convertible Bonds in the aggregate principal amount of HK\$712,582,483 were issued and allotted in accordance with the terms and conditions of the Subscription Agreement.

PARTIAL CONVERSION OF CONVERTIBLE BONDS

On 10 August 2016, the Company received a conversion notice from the Subscriber in respect of the exercise of conversion rights attaching to the Convertible Bonds in an aggregate principal amount of HK\$205,347,555. Accordingly, the Company has allotted and issued an aggregate of 685,324,748 Conversion Shares to the Subscriber at the conversion price of HK\$0.2996 per Conversion Share on the same day.

CHANGE OF DIRECTORS

With effect from the Completion, (i) Mr. Bai Jinmin and Mr. Liang Yu resigned as executive Directors; (ii) Mr. Cheng Guoming resigned as an executive Director and the chief financial officer of the Company; (iii) Mr. Ho King Fung, Eric resigned as a non-executive Director, while (i) Mr. Zhou Haijing has been appointed as an executive Director and the chief financial officer of the Company; and (ii) Mr. Zhang Qin, Mr. Yang Guang, Mr. Ji Gang and Mr. Zhang Wei have been appointed as non-executive Directors.

* For identification purpose only

References are made to (i) the circular of AGTech Holdings Limited (the “**Company**”) dated 25 May 2016 in relation to, among other things, the Subscription and the Whitewash Waiver (the “**First Circular**”); (ii) the supplemental circular of the Company dated 14 July 2016 in relation to, among other things, the settlement of PRC tax liability (the “**Supplemental Circular**”); and (iii) the announcement of the Company dated 30 July 2016 in relation to, among other things, the results of the Adjourned SGM and the New SGM. Capitalised terms used herein shall have the same meanings as those defined in the First Circular and the Supplemental Circular unless otherwise specified.

COMPLETION OF SUBSCRIPTION OF SUBSCRIPTION SHARES AND CONVERTIBLE BONDS

The Board is pleased to announce that the Completion took place on 10 August 2016 following satisfaction and waiver of the conditions precedent in accordance with the terms of the Subscription Agreement. A total of 4,817,399,245 Subscription Shares and Convertible Bonds in the aggregate principal amount of HK\$712,582,483 were issued and allotted in accordance with the terms and conditions of the Subscription Agreement.

Update on the proposed settlement of PRC tax liability

Following the approval by Independent Shareholders of the Special Deal and the Release of Connected Employees’ Tax Liability at the New SGM, the Group has commenced preparation works required for discussions with the relevant PRC tax authorities regarding the proposed settlement of the relevant PRC tax liabilities. As at the date of this announcement, no final settlement plan has been agreed between the Group and the relevant PRC tax authorities but the Company has undertaken to the Investor that it shall agree on the settlement plan with the relevant PRC tax authorities as soon as practicable after Completion. The Company will make further announcement(s) in respect of any updates to the proposed settlement of PRC tax liability if so required by the applicable laws and regulations.

PARTIAL CONVERSION OF CONVERTIBLE BONDS

As disclosed in the First Circular, following Completion, the Subscriber intends to convert such number of Convertible Bonds that will achieve a holding of the Shares by the Subscriber of more than 50% of the issued share capital of the Company, while the Shares held by the public will continue to represent 26.00% of the issued share capital of the Company as from the date of Completion.

The Board is pleased to announce that on 10 August 2016, the Company received a conversion notice from the Subscriber in respect of the exercise of conversion rights attaching to the Convertible Bonds in an aggregate principal amount of HK\$205,347,555. Accordingly, the Company has allotted and issued an aggregate of 685,324,748 Conversion Shares (the “**First Conversion Shares**”) to the Subscriber at the conversion price of HK\$0.2996 per Conversion Share on the same day. The First Conversion Shares rank pari passu with all the existing Shares as at the date of allotment and among themselves in all respects, and represent approximately 6.565% of the number of issued Shares as enlarged by the allotment and issue of the Subscription Shares and the First Conversion Shares.

Set out below is the shareholding structure of the Company immediately after Completion and immediately before and after the allotment and issue of the First Conversion Shares:

Name of Shareholder	Immediately before Completion		Immediately after Completion but before the allotment and issue of the First Conversion Shares		Immediately after allotment and issue of the First Conversion Shares	
	No. of Shares	Approx %	No. of Shares	Approx %	No. of Shares	Approx %
Mr. Sun	2,033,328,000 ⁽¹⁾	41.186	2,033,328,000 ⁽¹⁾	20.845	2,033,328,000 ⁽¹⁾	19.477
Mr. Bai Jinmin	76,574,600	1.551	76,574,600	0.785	76,574,600	0.734
Mr. Liang Yu	23,670,250	0.479	23,670,250	0.243	23,670,250	0.227
Mr. Ho King Fung, Eric	21,287,922	0.431	21,287,922	0.218	21,287,922	0.204
Ms. Monica Maria Nunes	875,000	0.018	875,000	0.009	875,000	0.008
Mr. Cheng Guoming	–	0.000	–	0.000	–	0.000
Dr. Gao Jack Qunyao	–	0.000	–	0.000	–	0.000
Mr. Feng Qing	–	0.000	–	0.000	–	0.000
Directors of the Company's Subsidiaries (other than the Directors)	66,849,250	1.354	66,849,250	0.685	66,849,250	0.640
Subscriber and parties acting in concert with it	–	0.000	4,817,399,245	49.388	5,502,723,993	52.71
Public shareholders	2,714,297,762	54.981	2,714,297,762	27.827	2,714,297,762	26.000
Total	4,936,882,784	100.000	9,754,282,029	100.000	10,439,606,777	100.000

Note:

- These Shares comprise 27,078,000 Shares beneficially owned by Mr. Sun and 2,006,250,000 Shares owned by Mr. Sun through his controlled corporation, Maxprofit.

CHANGE OF DIRECTORS

The Board announces that with effect from the Completion, (i) Mr. Bai Jinmin and Mr. Liang Yu resigned as executive Directors; (ii) Mr. Cheng Guoming resigned as an executive Director and the chief financial officer of the Company; and (iii) Mr. Ho King Fung, Eric (“**Mr. Ho**”) resigned as a non-executive Director (collectively, the “**Resigning Directors**”).

All the Resigning Directors have confirmed that (i) they had no disagreement with the Board; and (ii) there is no matter relating to their resignation that needs to be brought to the attention of the Shareholders.

The Board wishes to express its sincere gratitude to all the Resigning Directors for their valuable contribution to the Company during their tenure of office.

Following Completion, each of Mr. Bai Jimin, Mr. Liang Yu and Mr. Cheng Guoming continues to be employed by the Group as a member of the Company's senior management, while Mr. Sun Ho continues to be appointed by the Company as the Company's chief executive officer, an executive Director and the chairman of the Board.

The Board is also pleased to announce that with effect from the Completion, (i) Mr. Zhou Haijing has been appointed as an executive Director and the chief financial officer of the Company; and (ii) Mr. Zhang Qin, Mr. Yang Guang, Mr. Ji Gang and Mr. Zhang Wei have been appointed as non-executive Directors (collectively, the “**New Directors**”).

Set out below are the brief biographies of the New Directors:

Executive Director

Mr. Zhou Haijing

Mr. Zhou, aged 39, joined Alibaba Holding in May 2008. He currently serves as a finance director at the financial planning and analysis department of Alibaba Group and is responsible for budgeting, forecasting and financial analysis for Alibaba Group. Mr. Zhou has extensive financial knowledge and deep understanding of Alibaba Group’s businesses including the lottery business. He provides assistance to the senior management and the chief financial officer of Alibaba Group in data and financial analysis during the decision making process. From 2001 to 2008, Mr. Zhou worked for PricewaterhouseCoopers as audit manager and was as a member of each of Certified General Accountants Association of Canada and the Chinese Institute of Certified Public Accountants. He holds a bachelor’s degree from Tsinghua University School of Economics and Management and a master’s degree from Sichuan University.

Non-executive Directors

Mr. Zhang Qin

Mr. Zhang, aged 42, joined Alibaba Group in January 2006. He is currently the Vice President of Alibaba Group and is responsible for business operations of Taobao Marketplace including Taobao Lottery. Before the current position, he led Yahoo! Search in China, Alibaba B2B site operations and advertisement business, eTao.com and Alibaba Search business respectively. He has over 10 years of experience in the internet and e-commerce industry. He holds a bachelor’s degree in Computer Software from Peking University and a MBA degree from China Europe International Business School.

Mr. Yang Guang

Mr. Yang, aged 39, joined Alibaba Group in September 2007. He is currently the general manager of the department of supply chain innovation of Alibaba Group and is responsible for innovative product and business in supply chain and logistics services in Taobao.com. Mr. Yang has nine years of experience in the internet industry and two years of experience in the lottery industry. Before the current position, Mr. Yang led the operation team of consumer electronics product in Taobao.com. Mr. Yang was one of the core members of the team responsible for the establishment of Tmall.com and Taobao Travel. From 2012 to 2015, Mr. Yang was responsible for Taobao.com’s innovative business including Taobao Lottery. He holds an associate degree in biological pharmacy from Jilin University.

Mr. Ji Gang

Mr. Ji, aged 41, joined Ant Financial in January 2016 as Vice President and Head of Strategic Investment. He is responsible for the global strategic investments for Ant Financial and has 16 years of experience in investment and 8 years of experience in the internet industry. Before joining Ant Financial, he served Alibaba Group as Vice President and was responsible for strategic investment. He holds a bachelor's degree in international business management from University of International Business and Economics.

Mr. Zhang Wei

Mr. Zhang, aged 39, joined Ant Financial in May 2015. He is currently the general manager of the merchant development division for the payment business of Ant Financial Group and is responsible for the cooperation with merchants and the development of the innovation business. Mr. Zhang has 10 years of experience in the internet industry and payment service industry. From 2003 to 2006, Mr. Zhang was senior business manager of the external media cooperation division of Sina Corporation and was responsible for liaising with external media. From 2007 to 2015, he worked as director for Internet Media Development at Tencent Holdings Limited and was in charge of various major projects relating to business development, branding and marketing. Mr. Zhang holds an associate degree in automobile application from Hubei University of Automotive Technology.

On 10 August 2016, the Company entered into a service contract with Mr. Zhou Haijing pursuant to which Mr. Zhou is appointed as an executive Director and the chief financial officer of the Company with effect from 10 August 2016. There is no specific term or proposed length of services for Mr. Zhou's appointment.

Each of Mr. Zhang Qin, Mr. Yang Guang, Mr. Ji Gang and Mr. Zhang Wei will be appointed as a non-executive Director for a fixed term of one year commencing on 10 August 2016.

The appointments of the New Directors are subject to retirement by rotation and re-election at the Company's general meetings pursuant to the bye-laws of the Company.

Mr. Zhou Haijing is entitled to HK\$125,000 per month as director's fee, which was determined by the Board based on the anticipated effort and expertise to be exercised by him on the Company's affairs. Such emolument is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company. Mr. Zhou Haijing may also be considered for annual discretionary bonus based on various factors, including but not limited to his performance and the performance of the Company and the Group generally.

None of Mr. Zhang Qin, Mr. Yang Guang, Mr. Ji Gang and Mr. Zhang Wei is entitled to any directors' fee.

Save as disclosed above, as at the date of this announcement, the New Directors (i) do not have any relationship with any Directors, senior management or substantial or controlling Shareholders; (ii) have no interest in the Shares within the meaning of Part XV of SFO; (iii) did not hold any other directorships in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (iv) do not hold other positions with other members of the Group; and (v) do not have any other matters that need to be brought to the attention of the Shareholders nor do they have any other information that is required to be disclosed pursuant to any of the requirements under Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

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

Hong Kong, 10 August 2016

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website 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.