



AGTech Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 8279

07/08

Third Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“STOCK EXCHANGE”)

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast further profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.

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The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

The Stock Exchange takes no responsibility for the contents of this report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- Turnover for the Nine-Month Period amounted to approximately HK\$31.9 million, representing an increase of approximately 70.5% over the corresponding period in 2007. Approximately 96.5% of the turnover was derived from the provision of sports lottery management consultancy services which yielded much higher margins.
- The Group recorded a loss from business operations of approximately HK\$6.2 million for the Nine-Month Period (2007: loss from business operations amounted to approximately HK\$8.3 million) after excluding the effects of the share-based payment expense and amortisation as stated below. The gross profit percentage stood at approximately 63.0%, a substantial improvement over the gross profit percentage of the corresponding period in 2007 of approximately 27.1%.
- Loss attributable to equity holders of the Company for the Nine-Month Period amounted to approximately HK\$113.8 million, primarily due to (i) the share-based payment expense (totalling approximately HK\$87.2 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, employees of the Group and other eligible participants under the share option scheme of the Company and for the option previously granted to Ladbroke Group; and (ii) the amortisation of other intangible assets (amounting to approximately HK\$26.4 million for the Nine-Month Period) which arose from the Group’s acquisitions of SYSTEK LTD and SHINING CHINA INC, both being wholly-owned subsidiaries of the Company.
- 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 31 March 2008 (the "Three-Month Period") and the nine months ended 31 March 2008 (the "Nine-Month Period") together with the comparative unaudited figures of the corresponding periods in 2007 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the three and nine months ended 31 March 2008

| | Notes | Three months ended | | Nine months ended | |
|---|-------|----------------------|---------------|----------------------|---------------|
| | | 31 March | | 31 March | |
| | | 2008 | 2007 | 2008 | 2007 |
| | | HK\$ | HK\$ | HK\$ | HK\$ |
| Turnover | 2 | 8,935,853 | 5,610,881 | 31,915,321 | 18,721,786 |
| Cost of sales and services | | (7,107,871) | (3,928,155) | (11,817,946) | (13,644,680) |
| Gross profit | | 1,827,982 | 1,682,726 | 20,097,375 | 5,077,106 |
| Other (cost)/revenue | | (56,462) | (521) | (61,953) | 191,308 |
| Bank interest income | | 1,157,347 | 282,528 | 6,088,953 | 483,539 |
| Exchange loss | | (3,224,662) | - | (3,224,662) | - |
| Selling and administrative expenses | | (12,135,626) | (5,610,063) | (29,095,761) | (14,089,277) |
| Loss from business operations | | (12,431,421) | (3,645,330) | (6,196,048) | (8,337,324) |
| Share-based payments | | (28,937,924) | (111,238,826) | (87,237,574) | (117,749,614) |
| Amortisation of other intangible assets | | (13,571,583) | - | (26,428,154) | - |
| Loss for the period before taxation | | (54,940,928) | (114,884,156) | (119,861,776) | (126,086,938) |
| Taxation | 3 | 3,354,684 | - | 5,289,041 | - |
| Loss for the period after taxation | | (51,586,244) | (114,884,156) | (114,572,735) | (126,086,938) |
| Attributable to: | | | | | |
| Equity holders of the Company | | (51,137,886) | (114,849,139) | (113,763,426) | (126,051,921) |
| Minority interests | | (448,358) | (35,017) | (809,309) | (35,017) |
| | | (51,586,244) | (114,884,156) | (114,572,735) | (126,086,938) |
| Basic and diluted loss per share | 5 | HK1.429 cents | HK3.826 cents | HK3.179 cents | HK4.379 cents |

Notes:

(1) BASIS OF PREPARATION OF THE ACCOUNTS

The unaudited condensed consolidated accounts have been prepared in accordance with the requirements of the GEM Listing Rules, accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and interpretations issued by the 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 by the Company’s audit committee.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as “new HKFRSs”).

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective. The Directors anticipate that the application of these new standards and interpretations will have no material impact on the financial statements of the Group.

| | |
|---------------------|---|
| HKAS 1 (Revised) | Presentation of financial statements ¹ |
| HKAS 23 (Revised) | Borrowing costs ¹ |
| HKAS 27 (Revised) | Consolidated and separate financial statements ² |
| HKFRS 2 (Amendment) | Vesting conditions and cancellations ¹ |
| HKFRS 3 (Revised) | Business combinations ² |
| HKFRS 8 | Operation segments ¹ |
| HK(IFRIC) – INT 12 | Service Concession arrangements ³ |
| HK(IFRIC) – INT 13 | Customer loyalty programmes ⁴ |
| HK(IFRIC) – INT 14 | HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction ³ |

¹ Effective for accounting periods beginning on or after 1 January 2009.

² Effective for accounting periods beginning on or after 1 July 2009.

³ Effective for accounting periods beginning on or after 1 January 2008.

⁴ Effective for accounting periods beginning on or after 1 July 2008.

(2) TURNOVER

Turnover represents the net amounts received and receivable from the provision of sports lottery management consultancy services and enterprise solutions of digital image processing system and surveillance system, as well as sales of computer software products and related maintenance services to outside customers in the People's Republic of China ("PRC") and the Macao Special Administrative Region of the PRC ("Macao") during the periods.

(3) TAXATION

Taxation for the Nine-Month Period represents the net amount of deferred taxation credit of approximately HK\$7.0 million and PRC profits tax of approximately HK\$1.7 million.

(4) DIVIDEND

The Board does not recommend the payment of an interim dividend for the Nine-Month Period (2007: Nil).

(5) BASIC AND DILUTED LOSS PER SHARE

The calculation of basic/diluted loss per share for the Three-Month Period and the Nine-Month Period is based on the unaudited net loss attributable to equity holders of the Company of approximately HK\$51.1 million and approximately HK\$113.8 million respectively (three months and nine months ended 31 March 2007: net loss of approximately HK\$114.9 million and approximately HK\$126.1 million respectively), and the weighted average number of 3,578,835,000 ordinary shares in issue during the Three-Month Period and the Nine-Month Period (three months and nine months ended 31 March 2007: 3,001,795,000 ordinary shares and 2,878,558,522 ordinary shares in issue respectively).

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

(6) SHARE CAPITAL AND RESERVES

| | Attributable to equity holders of the Company | | | | | | | | | |
|---|---|---------------|-----------------------|-------------------|------------------|---------------------|--------------------|---------------|--------------------|---------------|
| | Share capital | Share premium | Share options reserve | Statutory reserve | Exchange reserve | Contributed surplus | Accumulated losses | Total | Minority interests | Total |
| | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ | HK\$ |
| At 1 July 2007 | 7,157,670 | 998,107,099 | 43,329,120 | 292,038 | 170,032 | 58,299,875 | (52,161,692) | 1,055,194,142 | 5,100,086 | 1,060,294,228 |
| Cancellation of share options | - | - | (513,641) | - | - | - | 23,247,000 | 22,733,359 | - | 22,733,359 |
| Recognitions of equity-settled share-based payments | - | - | 64,504,215 | - | - | - | - | 64,504,215 | - | 64,504,215 |
| Exchange differences arising on translation of foreign operations recognised directly in equity | - | - | - | - | 9,210,672 | - | - | 9,210,672 | - | 9,210,672 |
| Loss for the period | - | - | - | - | - | - | (113,763,426) | (113,763,426) | (809,309) | (114,572,735) |
| At 31 March 2008 | 7,157,670 | 998,107,099 | 107,319,694 | 292,038 | 9,380,704 | 58,299,875 | (142,678,118) | 1,037,878,962 | 4,290,777 | 1,042,169,739 |
| At 1 July 2006 | 5,350,000 | 20,576,560 | - | 292,038 | (22,887) | 11,108,399 | (32,304,734) | 4,999,376 | - | 4,999,376 |
| Recognitions of equity-settled share-based payments | - | - | 111,335,764 | - | - | - | - | 111,335,764 | - | 111,335,764 |
| Issue of shares upon exercise of share options and share placing | 653,590 | 67,209,360 | - | - | - | - | - | 67,862,950 | - | 67,862,950 |
| Reduction of share premium to offset against accumulated losses and transfer to contributed surplus | - | (87,785,920) | - | - | - | 47,191,476 | 40,594,444 | - | - | - |
| Exchange differences arising on translation of foreign operations recognised directly in equity | - | - | - | - | 126,675 | - | - | 126,675 | - | 126,675 |
| Loss for the period | - | - | - | - | - | - | (126,051,921) | (126,051,921) | (35,017) | (126,086,938) |
| Minority interests arising from joint venture business | - | - | - | - | - | - | (35,017) | (35,017) | 4,900,000 | 4,864,983 |
| At 31 March 2007 | 6,003,590 | - | 111,335,764 | 292,038 | 103,788 | 58,299,875 | (117,797,228) | 58,237,827 | 4,864,983 | 63,102,810 |

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

During the Three-Month Period, the Group had entered into various principal agreements to accelerate the growth of its sports lottery business in the PRC, including:

- (a) a sports lottery sales terminals supply agreement with the 體育彩票管理中心 (sports lottery administration centre) of the Gansu (甘肅) province;
- (b) a sports lottery management consultancy agreement with a customer in respect of the setting-up and operation of lottery sales venues in Liaoning (遼寧) province;
- (c) a sports lottery management consultancy agreement with a customer in respect of the setting-up and operation of lottery sales venues in Anhui (安徽) province;
- (d) a sports lottery management consultancy agreement with a customer in respect of the setting-up and operation of lottery sales venues in Gansu province; and
- (e) a sports lottery management consultancy agreement with a customer in respect of the sales of sports lottery instant scratch tickets in Jiangxi (江西) province.

In addition, the Group's sports lottery sales terminals supply agreement with the sports lottery administration centre of Hunan (湖南) province began to bring in revenue in January 2008.

The above agreements reflect the Group's continuous efforts to expand business coverage and depth and to broaden its revenue stream.

Business outlook

On 6 May 2008, the Group successfully secured the following three new consultancy agreements in relation to the sales of sports lottery instant scratch tickets in Anhui province and Hunan province in the PRC:

- (1) a marketing consultancy agreement with the sports lottery administration centre of Anhui province (“Anhui SLAC”) to advise Anhui SLAC on its sales of sports lottery instant scratch tickets in Anhui;
- (2) a new management consultancy agreement with an existing customer to advise such customer in relation to its sales of sports lottery instant scratch tickets in Anhui; and
- (3) a marketing consultancy agreement with the sports lottery administration centre of Hunan (湖南) province (“Hunan SLAC”) to advise Hunan SLAC in respect of its sales of sports lottery instant scratch tickets in Hunan.

The prospects of the sports lottery sector remain promising in light of the efforts of the Chinese government to reform the present sports lottery market to counter illegal gaming and the momentum building up as the 2008 Beijing Olympics advances. The Group will continue to explore opportunities in different PRC sports lottery arenas including, but not limited to, expanding into more provinces for its sports lottery management and marketing consultancy services, assisting its customers to open more sales venues for sports lottery, introducing new lottery games and related system(s) to the sports lottery sector, as well as exploring more strategic business alliances with the aim of consolidating its leadership as a fully integrated solutions provider for the sports lottery market in the PRC.

Financial performance review

Turnover of the Group for the Nine-Month Period amounted to approximately HK\$31.9 million, representing a surge of approximately 70.5% over the corresponding period in 2007. The increase in turnover of the Group during the Nine-Month Period was mainly attributable to the contributions of its new core business of the provision of sports lottery management consultancy services in the PRC, which commenced in June 2007. Indeed, approximately 96.5% of the Group's turnover for the Nine-Month Period was derived from the provision of its sports lottery management consultancy services which yielded much higher margins than the enterprise solutions projects secured by the Group for the corresponding period in 2007. During the Nine-Month Period, the gross profit percentage stood at approximately 63.0%, a substantial improvement over the gross profit percentage of the corresponding period in 2007 of approximately 27.1%.

The net loss of the Group attributable to equity holders of the Company for the Three-Month Period amounted to approximately HK\$51.1 million, whereas the net loss of the Group for the corresponding period during 2007 amounted to approximately HK\$114.8 million. The net loss of the Group attributable to equity holders of the Company for the Nine-Month Period amounted to approximately HK\$113.8 million, whereas the net loss of the Group for the corresponding period during 2007 amounted to approximately HK\$126.1 million. The net loss of the Group was primarily attributable to (i) the share-based payment expense (totalling approximately HK\$87.2 million for the Nine-Month Period) resulting from the adoption of Hong Kong Financial Reporting Standard 2 "Share-based Payment" for share options of the Company granted to Directors, employees of the Group and other eligible participants under the share option scheme of the Company, as well as the option previously granted to Ladbroke Group as part of an agreement that led to the establishment of a joint venture company as announced by the Company on 23 January 2007; (ii) the amortisation of other intangible assets (amounting to approximately HK\$26.4 million for the Nine-Month Period) which arose from the Group's acquisitions of SYSTEK LTD and SHINING CHINA INC, both being wholly-owned subsidiaries of the Company; and (iii) the increase in administrative expenses such as staff costs, leases, travelling expenses and marketing expenses as a result of the continuous expansion of the Group's business. The reduction of net loss of the Group for the Nine-Month Period as compared to that of the corresponding period in 2007 was mainly due to the improvement in gross profit and turnover of the Group during the Nine-Month Period.

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 2008, 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 | 26,750,000 | 2,006,250,000 | 2,033,000,000 | 56.81% |
| | | (Note 1) | | |
| Mr. Bai Jinmin | – | 237,580,000 | 237,580,000 | 6.64% |
| | | (Note 2) | | |
| Ms. Yang Yang | 400,000 | – | 400,000 | 0.01% |
| Mr. Wang Ronghua | 2,675,000 | – | 2,675,000 | 0.07% |
| Mr. Hua Fengmao | 1,355,000 | – | 1,355,000 | 0.04% |
| Mr. Kwok Wing Leung Andy | 1,515,000 | – | 1,515,000 | 0.04% |

Notes:

- 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 of the Company, Mr. Sun was deemed to be interested in such Shares.
- These 237,580,000 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. 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 1 July 2007 | Granted during the Nine-Month Period | Exercised during the Nine-Month Period | As at 31 March 2008 |
| Mr. Robert Geoffrey Ryan | 22-3-2007 | 1.40 | 22-3-2008 – 21-3-2012 | 26,750,000 | - | - | 26,750,000* (representing approximately 0.75% of the issued share capital of the Company) |
| Mr. Bai Jinmin | 15-6-2007 | 1.77 | 15-6-2008 – 14-6-2012 | 26,750,000 | - | - | 26,750,000* (representing approximately 0.75% of the issued share capital of the Company) |

* 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, such portion of the option will lapse.

Save as disclosed above, as at 31 March 2008, none of the Directors and 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 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2008, so far as was known to the Directors or chief executive of the Company, the following persons (not being Directors or chief executives 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 10% 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 (Note 1) | 2,006,250,000 | 56.06% |
| HB Resources Investment Limited | Interests in controlled corporation (Note 2) | 237,580,000 | 6.64% |
| Legg Mason Inc | Investment manager | 225,292,000 | 6.30% |

Notes:

1. As disclosed above, Mr. Sun Ho was deemed to be interested in those 2,006,250,000 Shares by virtue of his interest in MAXPROFIT GLOBAL INC.
2. As disclosed above, Mr. Bai Jinmin was deemed to be interested in those 237,580,000 Shares by virtue of his interest in HB Resources Investment Limited.

Save as disclosed above, as at 31 March 2008, the Directors or chief executive of the Company were not aware of any other substantial shareholder of the Company (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 10% 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 2008, 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.

MANAGEMENT SHAREHOLDERS

So far as the Directors are aware, other than Mr. Sun Ho and Mr. Bai Jinmin as disclosed above, there was no other person during the Nine-Month Period who was directly or indirectly interested in 5% or more of the Shares then in issue and who was able, as a practical matter, to direct or influence the management of the Company.

INTERESTS IN COMPETING BUSINESS

During the period under review, none of the Directors or any person who is (or group of persons who together are) entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and who is (or are) able, as a practical matter, to direct or influence the management 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 third quarterly results of the Group for the Nine-Month Period have been reviewed and commented on by the audit committee.

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 period under review, the Company has adopted the code provisions and certain recommended best practices in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules, except that:

- under the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of chairman and chief executive officer of the Company were performed by the same individual, namely, Mr. Sun Ho, during the Nine-Month Period. The Company considered that the combination of the roles of chairman and chief executive officer 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; and
- under the code provision A.4.2, every Director should be subject to retirement by rotation at least once every three years. During the period under review, 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.

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.

By order of the Board
AGTech Holdings Limited
Sun Ho
Chairman

The Hong Kong Special Administrative Region of
the People's Republic of China, 13 May 2008

As at the date of this report, 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.