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AGTech Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 8279

Third Quarterly Report 08/09

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

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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 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: (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

- Revenue for the Nine-Month Period amounted to approximately HK\$45.6 million, representing an increase of approximately 42.9% over the corresponding period in 2008.
- Loss attributable to equity holders of the Company for the Nine-Month Period amounted to approximately HK\$170.1 million, primarily due to (i) the share-based payment expense (totalling approximately HK\$116.6 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; (ii) the amortisation of other intangible assets (amounting to approximately HK\$29.5 million for the Nine-Month Period); and (iii) the increase in cost of sales and services as well as administrative and marketing expenses as a result of the continuous expansion of the Group’s retail management and marketing consultancy businesses.
- 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 2009 (the "Three-Month Period") and the nine months ended 31 March 2009 (the "Nine-Month Period"), together with the comparative unaudited figures for the corresponding period in 2008 as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the three and nine months ended 31 March 2009

	Notes	Three months ended 31 March		Nine months ended 31 March	
		2009 HK\$	2008 HK\$	2009 HK\$	2008 HK\$
Revenue	2	10,800,107	8,935,853	45,596,197	31,915,321
Cost of sales and services		(8,317,096)	(7,107,871)	(29,378,392)	(11,817,946)
Gross profit		2,483,011	1,827,982	16,217,805	20,097,375
Other revenue/(cost)		216,749	(56,462)	179,586	(61,953)
Bank interest income		850,043	1,157,347	2,211,024	6,088,953
Selling and administrative expenses		(14,138,979)	(12,135,626)	(50,006,598)	(29,095,761)
Loss from business operations		(10,589,176)	(9,206,759)	(31,398,183)	(2,971,386)
Share-based payment expense		(15,426,066)	(28,937,924)	(116,578,553)	(87,237,574)
Exchange loss		(112,156)	(3,224,662)	(85,861)	(3,224,662)
Amortisation of other intangible assets	3	(9,870,594)	(13,571,583)	(29,452,581)	(26,428,154)
Loss for the period before taxation		(35,997,992)	(54,940,928)	(177,515,178)	(119,861,776)
Taxation	4	2,464,128	3,354,684	7,354,867	5,289,041
Loss for the period after taxation		(33,533,864)	(51,586,244)	(170,160,311)	(114,572,735)
Attributable to:					
Equity holders of the Company		(33,415,049)	(51,137,886)	(170,056,452)	(113,763,426)
Minority interests		(118,815)	(448,358)	(103,859)	(809,309)
		(33,533,864)	(51,586,244)	(170,160,311)	(114,572,735)
Loss per share					
Basic and diluted	6	HK0.933 cent	HK1.429 cents	HK4.750 cents	HK3.179 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 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 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.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs ¹
HKAS 1 (Revised)	Presentation of Financial Statements ²
HKAS 23 (Revised)	Borrowing Costs ²
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ³
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation ²
HKAS 39 (Amendment)	Eligible Hedged Items ³
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate ²
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations ²
HKFRS 3 (Revised)	Business Combinations ³
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments ²
HKFRS 8	Operating Segments ²
HK(IFRIC) – INT 15	Agreements for the Construction of Real Estate ²
HK(IFRIC) – INT 16	Hedges of a Net Investment in a Foreign Operation ⁴
HK(IFRIC) – INT 17	Distribution of Non-cash Assets to Owners ³
HK(IFRIC) – INT 18	Transfers of Assets from Customers ²

Notes:

¹ Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2009

³ Effective for annual periods beginning on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 October 2008

The Group is in the progress of making an assessment of what impact these new standards, amendments and interpretations will have on its results of operations and financial position.

(2) REVENUE

Revenue represents the amounts received and receivable from the provision of sports lottery management and marketing consultancy services, supply of sports lottery sales terminals (and accessories), provision of lottery advisory service, enterprise solutions of digital image processing system, 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 during the periods.

(3) AMORTISATION OF OTHER INTANGIBLE ASSETS

The amortisation of other intangible assets arose from the Group's acquisitions of SYSTEK LTD and SHINING CHINA INC (both being wholly-owned subsidiaries of the Company) during the financial year ended 30 June 2007.

(4) TAXATION

Taxation for the Nine-Month Period represents deferred taxation for the period.

(5) DIVIDEND

The Board does not recommend the payment of an interim dividend for the Nine-Month Period (2008: Nil).

(6) LOSS PER SHARE

The calculation of the 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\$33.4 million and approximately HK\$170.1 million respectively (three months and nine months ended 31 March 2008: net loss of approximately HK\$51.1 million and approximately HK\$113.8 million respectively), and the weighted average number of 3,580,085,000 ordinary shares in issue during the Three-Month Period and the Nine-Month Period (three months and nine months ended 31 March 2008: 3,578,835,000 ordinary shares in issue).

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

(7) 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 2008	7,160,170	998,518,599	106,194,072	310,757	90,497,119	58,299,875	(157,469,464)	1,103,511,128	4,122,533	1,107,633,661
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	(2,028,645)	-	-	(2,028,645)	(662,076)	(2,690,721)
Recognitions of equity-settled share-based payments	-	-	111,394,759	-	-	-	5,183,793	116,578,552	-	116,578,552
Loss for the period	-	-	-	-	-	-	(170,056,452)	(170,056,452)	(103,859)	(170,160,311)
At 31 March 2009	7,160,170	998,518,599	217,588,831	310,757	88,468,474	58,299,875	(322,342,123)	1,048,004,583	3,256,598	1,051,361,181
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
Exchange differences arising on translation of foreign operations recognised directly in equity	-	-	-	-	9,210,672	-	-	9,210,672	-	9,210,672
Recognitions of equity-settled share-based payments	-	-	64,504,215	-	-	-	64,504,215	-	-	64,504,215
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

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Three-Month Period, the Group continued to focus on its sports lottery related business and its major source of revenue came from the provision of sports lottery management and marketing consultancy services as well as its supply of sports lottery sales terminals (and accessories). In particular, management consultancy services provided by the Group in relation to the sales of sports lottery computer ticket games in the municipality of Chongqing and the provinces of Hunan and Jiangxi in the PRC, together with the Group's management and marketing consultancy services in relation to the sales of sports lottery instant tickets in Anhui province and the municipality of Chongqing in the PRC, achieved satisfactory performance during the Three-Month Period.

The sports lottery market continues to grow rapidly in the PRC. The total sports lottery sales in the PRC amounted to approximately RMB11.6 billion in the first quarter of 2009, representing an increase of approximately 34.1% as compared with the corresponding period last year*. Out of the aforesaid total sports lottery sales of approximately RMB11.6 billion, about 24.0% was attributable to the sale of sports lottery instant tickets*.

To capitalise on the growth momentum brought about by the sales of sports lottery instant tickets in the PRC, continuous efforts have been made by the Group to assist our customers in setting up more sales venues through the retail chain outlets of 新合作商貿連鎖集團有限公司 (New Cooperation Joint-Stock Trade Chain Co., Ltd) in Hunan and Henan provinces and of Suguo Supermarket Co., Ltd in Jiangsu province during the Three-Month Period. The marketing consultancy services rendered by the Group in respect of sports lottery instant tickets sales through these retail chain distribution channels shall continue to strengthen the earnings base of the Group.

* source: website of Ministry of Finance PRC (中華人民共和國財政部網址)

Business Outlook

New sports lottery high frequency games have been approved and rolled out by various sports lottery administration centres in over 20 provinces in the PRC, including Liaoning, Anhui, Gansu, Henan, Jiangsu and the municipality of Chongqing where the Group has already established its presence. New single match sports lottery is also expected to be widely launched to the public in the PRC later this year, with pilot launch having commenced in Liaoning province in early May 2009. It is believed that the new sports lottery high frequency games and the new single match sports lottery are going to be the next future growth drivers to the PRC sports lottery market following the well-received sports lottery instant tickets. As the Group has already established a strong foothold in various provinces and the municipality of Chongqing in the PRC, we will continue to strive for various business opportunities to capitalise on the growth potential to be brought about by these new products in the sports lottery market.

Overall speaking, the prospects of the sports lottery sector remain promising. The popular demand for sports lottery instant tickets since its re-introduction into the PRC sports lottery market in the second quarter of 2008 shall continue to strengthen the earnings base of the Group's management and marketing consultancy services. The sports lottery instant tickets sales recorded about RMB2.8 billion in the first quarter of 2009, representing approximately 24.0% of the total sports lottery sales in the PRC during the same period*.

The Group will also continue to explore opportunities in different PRC sports lottery arenas including, but not limited to, the provision of sports lottery retail chain management and marketing consultancy services, the introduction of new lottery games and related systems 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.

* source: website of Ministry of Finance PRC (中華人民共和國財政部網址)

Financial Performance Review

For the Nine-Month Period, the revenue of the Group amounted to approximately HK\$45.6 million, representing an increase of approximately 42.9% over the corresponding period in 2008. Such increase in revenue of the Group was mainly attributable to the contributions of its sports lottery management and marketing consultancy services in the PRC, which were boosted as the Group expanded into more provinces of the PRC and penetrated into the lucrative sports lottery instant tickets market during the period under review. As the income of the Group derived from its sports lottery management and marketing consultancy services in respect of the sports lottery instant tickets is based on fixed percentages of the actual sales of such tickets, the overwhelming response of such tickets in the period became a revenue driver for the Group. Over approximately 94.0% of the Group's revenue for the Nine-Month Period was derived from the provision of sports lottery management and marketing consultancy services and supply of sports lottery sales terminals (and accessories). For the Nine-Month Period, the gross profit percentage stood at approximately 35.6%, whereas the gross profit percentage of the corresponding period in 2008 was approximately 63.0%. The decrease in the gross profit percentage was due to the fact that higher costs of services were incurred by the Group for the Nine-Month Period since there were more start-up costs as the Group expanded its retail management consultancy business into more provinces in the PRC, supplied more sports lottery sales terminals and accelerated its penetration into the new PRC sports lottery instant tickets market.

The net loss of the Group attributable to equity holders of the Company for the Three-Month Period amounted to approximately HK\$33.4 million, whereas the net loss of the Group attributable to equity holders of the Company for the corresponding period in 2008 amounted to approximately HK\$51.1 million. The net loss of the Group attributable to equity holders of the Company for the Nine-Month Period amounted to approximately HK\$170.1 million, whereas the net loss of the Group attributable to equity holders of the Company for the corresponding period in 2008 amounted to approximately HK\$113.8 million. The increase in the net loss of the Group for the Nine-Month Period was primarily attributable to (i) the share-based payment expense (amounting to approximately HK\$116.6 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, in which, higher share-based payment expense was charged during the Nine-Month Period as the Company reduced and cancelled the number of its shares to be issued upon exercise of the share options previously granted to Directors, employees of the Group and other eligible participants under the share option scheme of the Company; (ii) the amortisation of other intangible assets (amounting to approximately HK\$29.5 million for the Nine-Month Period); and (iii) the increase in cost of sales and services as well as administrative and marketing expenses as a result of the continuous expansion of the Group's retail management and marketing consultancy businesses.

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 31 March 2009, the interests and short positions of the Directors and chief executives 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	56.80%
		(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	2,275,000	–	2,275,000	0.06%
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 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 (Note)	Number of underlying Shares entitled (in respect of share options of the Company)				As at 31 March 2009
				As at 1 July 2008	Granted during the Nine-Month Period	Exercised during the Nine-Month Period	Cancelled during the Nine-Month Period	
Mr. Robert Geoffrey Ryan	22-3-2007	1.40	22-3-2008 – 21-3-2012	26,750,000	-	-	(26,750,000)	-
	9-10-2008	0.2198	9-10-2009 – 8-10-2013	-	13,375,000	-	-	13,375,000 (representing approximately 0.37% 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)	-
	9-10-2008	0.2198	9-10-2009 – 8-10-2013	-	13,375,000	-	-	13,375,000 (representing approximately 0.37% of the issued share capital of the Company)
Mr. Liang Yu	11-7-2008	0.754	11-7-2009 – 10-7-2013	-	26,750,000	-	(26,750,000)	-
	9-10-2008	0.2198	9-10-2009 – 8-10-2013	-	13,375,000	-	-	13,375,000 (representing approximately 0.37% of the issued share capital of the Company)
Ms. Yang Yang	11-7-2008	0.754	11-7-2009 – 10-7-2013	-	2,675,000	-	(2,675,000)	-
	9-10-2008	0.2198	9-10-2009 – 8-10-2013	-	1,337,500	-	-	1,337,500 (representing approximately 0.037% of the issued share capital of the Company)

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

Save as disclosed above, as at 31 March 2009, none of the Directors and chief executives 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 AND UNDERLYING SHARES AND DEBENTURES

As at 31 March 2009, so far as was known to the Directors or chief executives 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	56.04%
HB Resources Investment Limited	Interests in controlled corporation (Note 2)	237,580,000	6.64%

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 2009, the Directors or chief executives of the Company were not aware of any other substantial Shareholder (not being a Director or chief executives 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 2009, apart from the interests in the Shares, underlying Shares and debentures of the Company and its associated corporations held by the Directors, chief executives 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 the controlling shareholder of the Company had an interest in a business, which competes or may compete with the businesses 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 the 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 the shareholders of the Company 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.

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.

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

Hong Kong, 13 May 2009

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.