Annual Report 2009

For the six-month period ended 31 December 2009

AGTech
www.agtech.com

AGTech Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 8279

CHARACTERISTICS OF GEM

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 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: (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.

Contents

We provide the PRC lottery market with fully integrated professional game software, hardware and marketing consultancy services, with a view to boosting lottery sales and bringing fortune to lottery players through exciting game products.


FORTUNE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Sun Ho *(Chairman)*
Robert Geoffrey Ryan
Bai Jinmin
Liang Yu

Non-executive Director

Yang Yang

Independent Non-executive Directors

Kwok Wing Leung Andy
Wang Ronghua
Hua Fengmao

AUTHORISED REPRESENTATIVES

Sun Ho
Wong Wai Sing

COMPANY SECRETARY

Wong Wai Sing

COMPLIANCE OFFICER

Sun Ho

AUDIT COMMITTEE

Kwok Wing Leung Andy *(Chairman)*
Wang Ronghua
Hua Fengmao

AUDITORS

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE & PRINCIPAL PLACE OF BUSINESS

Unit 3912, 39th Floor, Shell Tower
Times Square, Causeway Bay
Hong Kong

Tel: (852) 2506 1668
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WEBSITE

www.agtech.com

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
UBS AG
Citibank, N.A.

SHARE REGISTRARS IN BERMUDA

The Bank of Bermuda Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM 11
Bermuda

SHARE REGISTRARS IN HONG KONG

Tricor Abacus Limited
26 Floor, Tesbury Centre,
28 Queen's Road East,
Hong Kong

STOCK CODE

8279

DEFINITIONS

In this report, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

"Board"	means the board of Directors
"Company" or "AGTech"	means AGTech Holdings Limited, a company incorporated in Bermuda as an exempted company with limited liability and its issued Shares have been listed on GEM
"Director(s)"	means the director(s) of the Company
"GEM"	means the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	means the Rules Governing the Listing of Securities on GEM
"GOT"	means 北京長城高騰信息產品有限公司 (Beijing Greatwall GOT Information Products Co., Ltd.*), a company incorporated in the PRC with limited liability and an indirect 35% equity interest is held by the Group subject to the completion of the acquisition as per the announcement of the Company dated 5 March 2010
"Group"	means the Company and its subsidiaries
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC
"Macao"	means the Macao Special Administrative Region of the PRC
"PRC" or "China"	means the People's Republic of China which, for the purpose of this report, excludes Hong Kong, Macao and Taiwan
"province(s)"	means province(s), municipality(ies) and autonomous region(s) of the PRC unless otherwise specified, and "provincial" shall be construed accordingly
"Share Option Scheme"	means the share option scheme of the Company adopted on 18 November 2004
"Share(s)"	means ordinary share(s) of HK$0.002 each in the share capital of the Company
"Shareholder(s)"	means holder(s) of the Share(s)
"SLAC(s)"	means China Sports Lottery Administration Centre(s)
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Subsidiary"	means a wholly-owned subsidiary of the Company

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

Notes:

1. In this report, the exchange rate of HK$1.136 to RMB1.00 has been used for reference only.

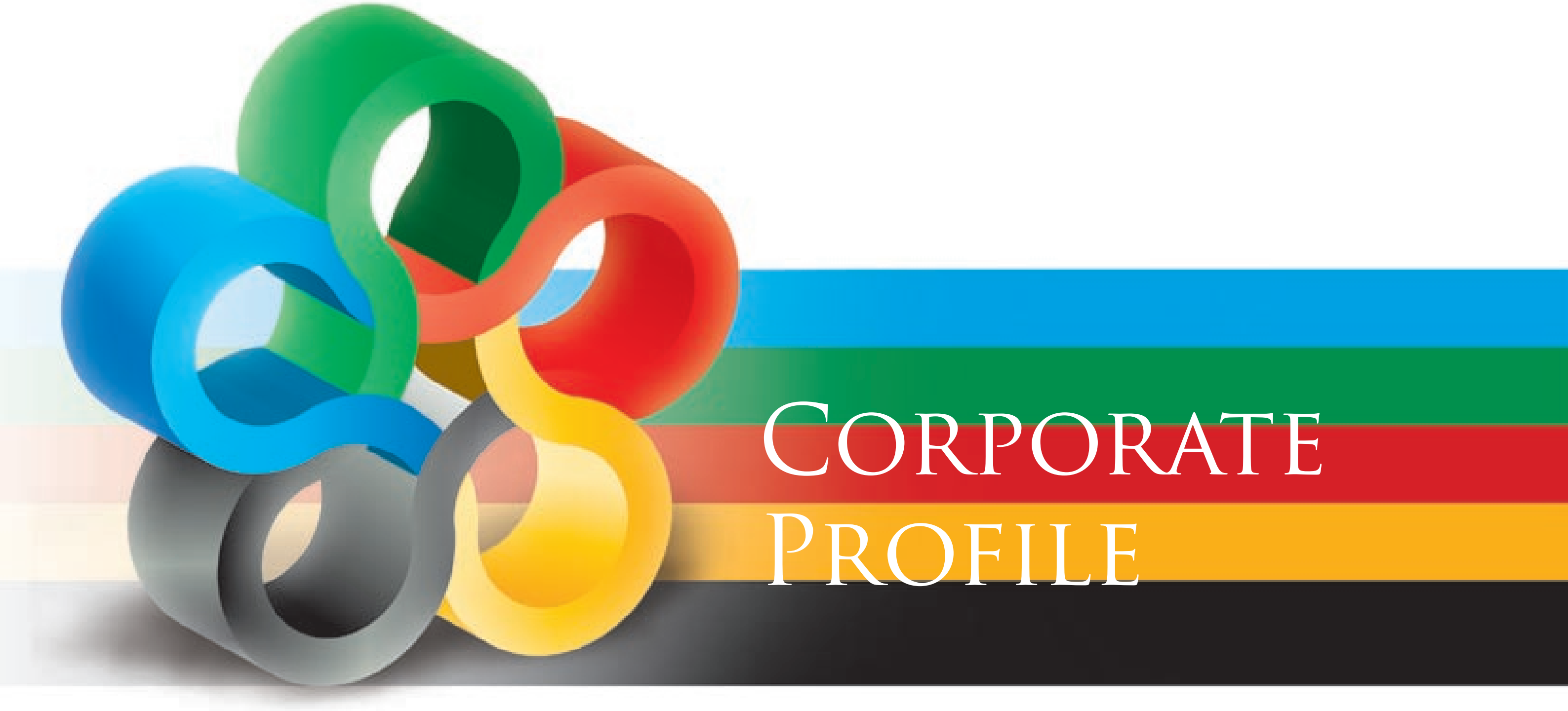
2. The English translation of the Chinese company names in this report are included for reference only and should not be regarded as the official English translation of such Chinese company names.

3. In the event of any inconsistency, the English text of this report shall prevail over the Chinese text.

* *For identification purpose only*

We liaise closely with the PRC regulatory authorities and do our utmost to help them develop a healthy lottery industry. We also assist them to evaluate new forms of legal and regulated lottery avenues with a view to cracking down on the illegal gambling market.

HEALTH



Corporate Profile

ABOUT AGTECH

As a fully integrated lottery solutions provider in China, AGTech is committed to serving the PRC sports lottery market through leveraging advanced technology and operational experience worldwide pertinent to the domestic circumstances of the PRC, with a view to securing healthy, steady and rapid development for the sports lottery industry. Based in China, the Group is facing the world in its endeavor. Supported by a team of experts with over 20 years of experience in China's sports lottery industry and endowed with cutting-edge R&D and innovation capabilities, we have been striving to provide lottery operators in China, Asia and even worldwide with a wide range of professional integrated lottery products and services, which include:

- **CONSULTING**: Territorial management and marketing consultancy services;

- **RETAIL**: Lottery shops and retail chain sales channel management and marketing consultancy services;

- **GAME SOFTWARE AND SYSTEM**: Lottery game and system research, design and development; and

- **HARDWARE AND NEW MEDIA**: Lottery sales terminals and accessories, and research and development of new media lottery sales channels.

The Group has commenced operations in many key provinces in China and will continue to expand nationwide. AGTech is a member of Asia Pacific Lottery Association (APLA). We work closely with other members to ensure healthy and balanced development of the lottery industry.

INDUSTRY OVERVIEW

Overview of the sales and development of China's sports lottery market during the period under review is set out in the "Industry Review" section on pages 38 to 40.

BUSINESS OVERVIEW

TERRITORIAL MARKETING CONSULTANCY SERVICES

With over 20 years of experience, our management team has profound knowledge of the international and domestic lottery markets. By providing access to the latest planning and operation techniques, systems and processes, we aim to assist the sports lottery industry to boost sales and develop new technologies and sales models.

Our local consulting services encompass:

- lottery venue selection and venue fit-out/design
- branding
- promotion and marketing
- game analysis
- playing trend analysis
- player end management and maintenance
- incentive schemes
- responsible lottery advice
- advertising and media advice
- equipment selection
- technology reviews/plans
- website consulting
- training and education

In addition, based on the characteristics of the vast market of China's townships and related market demand, we have taken the lead to launch promotional trucks, a new lottery sales channel, of which the doors open to reveal a stage for performers putting on variety shows. The trucks make for an efficient tool to promote the social and entertainment values of lotteries and enhance lottery sales.

We have also helped our customers set up lottery sales booths at major public events and sport events to attract more lottery players.

Currently, we provide marketing consultancy services that encompass several areas. With our continuous efforts to strengthen our professional management standard, many partnering provinces have seen satisfactory improvement in the sales of both lotto and scratch tickets, thereby demonstrating the strengths of our services.

CORPORATE PROFILE




Promotional Trucks



Lottery Sales Booths


Promotion Campaigns

RETAIL MANAGEMENT CONSULTANCY SERVICES

(i) Lottery Star Shop

We provide management consultancy services related to the opening of sports lottery shops in several provinces in China. The "Lottery Star Shop" betting network has been expanding rapidly, and delightful news about winners hitting the jackpot at the Lottery Star Shops are heard from time to time.

Following the launch of a plethora of new games, new Lottery Star flagship shops will be able to support video terminals of different high frequency games and new sports lottery games.

In addition, these shops will be equipped with the "Lottery Star Card" customer relationship management system and the shop network management information system, thus enabling lottery players to enjoy a wider range of efficient and professional services.

Lottery Star Shops (New Single Match Betting Shops)

Lottery Star Shops (Flagship Shops)

(ii) Channel Sales

We have also been appointed as the marketing consultant on the sales of sports lottery scratch tickets through the sales outlets of Suguo Supermarket Co., Ltd., the largest supermarket chain in Jiangsu province. We believe that developing new lottery sales channels through well-established retail chain networks is the way forward and the most cost-efficient way to boost lottery sales in China.

Suguo Supermarket Lottery Sales Channel

GAME SOFTWARE AND SYSTEM

The Group's joint venture with Ladbroke Group (a subsidiary of a reputable United Kingdom gaming company, Ladbrokes PLC) has successfully developed the high frequency virtual car racing game, Lucky Racing (幸運賽車), and its related open sports betting platform.

Driven by a central server (random number generator), the game selects a winner out of 12 cars. Lottery players can forecast the winner, first runner-up, second runner-up or combinations to win the corresponding prizes. It allows players to use their wits and place a bet according to virtual weather, conditions of cars and drivers, as well as win records. This high frequency game runs every 12 minutes or so and is visually displayed upon in-store monitors in lottery shops and entertainment arenas, so that lottery players can wager and watch the game and results there as a form of entertainment and pastime. It is expected that the game would meet the demand of lottery players for entertainment and sports betting, thereby helping to crack down on illegal gambling. We believe that the formal launch of the game would generate additional profit for the Group and bring in new market opportunities by facilitating the Group to launch other high frequency games on the platform.

CORPORATE PROFILE

HARDWARE AND NEW MEDIA

The Group has announced the acquisition of an indirect 35% equity interest in GOT. Through investment in GOT, the Group would be able to further expand its business scope in the supply of sports lottery sales terminals and systems. As GOT is one of the largest terminal and system providers for sports lottery in the PRC with a client base covering over 20 provinces and cities, it is expected that the acquisition would benefit all other business segments of the Group by providing excellent opportunities to further extend its sales network coverage to more provinces and cities in the PRC.

The Group is supported by a team of experts in information technology and lottery technology. Some of them have almost 20 years of experience in China's sports lottery industry and have been involved in the design, development, technical implementation and maintenance of China's computerised sports lottery system. They are responsible for research and development of new systems, games, equipment and distribution channels. This, together with the cutting-edge production, research and development and innovation capabilities of GOT and strong support by its controlling shareholder, China Electronics Corporation (China's largest state-owned I.T. enterprise), will facilitate the Group in developing new sports lottery technology and capture any future market opportunities in the PRC sports lottery industry.








In order to facilitate players buying lotteries with ease, we are now engaged in developing groundbreaking technologies such as portable lottery sales terminals and self-service lottery terminals.

Our Group is also developing our own lottery games and concepts, and we are evaluating lottery games and related system and equipment of international lottery and equipment companies with a view to have them introduced to China's sports lottery market.

RESPONSIBLE LOTTERY

AGTech advocates responsible lottery practices. We believe that most lottery players buy lotteries in a rational way and take the activity as a form of leisure and entertainment. Only a small number of players are obsessed with lottery, and most of the problem gamblers bet through illegal channels. At AGTech, we support our customers by providing them innovative and legal lottery games, which can in effect help the government clamp down on illegal gambling.

By promoting responsible lottery, AGTech aims to strike a balance between meeting public demand for lottery and maximising social and economic benefits of lottery and minimising potential harm to individuals and the community. Meanwhile, AGTech helps customers maintain their credibility through strict business regulatory measures.

We advise our customers to implement responsible lottery measures to facilitate lottery players playing with rationality and to minimise the potentially negative effects of lottery entertainment. For example, we advise our customers against accepting credit betting and taking bets from underage players. In addition, responsible lottery information is available at lottery shops and found in product promotion materials. From time to time, we launch public educational programmes for our customers, and we also provide lottery players with proper counselling services.

Play lotteries with restraint and rationality rationally!
People under the age of 18 are not allowed to buy lottery or collect prizes!

CONTRIBUTING TO THE COMMUNITY

AGTech is committed to promoting healthy and steady development of China's lottery industry that carries a sense of social responsibility. We shall continue to work closely with regulatory authorities and do our best to help the government evaluates new forms of legal and regulated avenues, with a view to fighting illegal gambling and raising funds for sports and welfare projects.

AGTech is a member of Asia Pacific Lottery Association (APLA). We work closely with other members to ensure healthy and stable development of the Asian and global lottery markets.

We often sponsor charity and sport events so as to fulfil our corporate social responsibility and contribute to the community.

Sponsoring Shanghai Youth Girls Soccer Team

AGTech Cup Olympic Photography Competition

Sponsoring Anhui Huangshan Martial Arts Competition

AGTech 15th He Long Cup Golf Celebrity Invitational Tournament

CORE CORPORATE VALUES

AGTech's philosophy is founded on five core values: "FORTUNE", "HEALTH", "HAPPINESS", "LUCK" and "RESPONSIBILITY". Together they form the colour scheme of our logo.

Fortune – We provide the PRC lottery market with fully integrated professional game software, hardware and marketing consultancy services, with a view to boosting lottery sales and bringing fortune to lottery players through exciting game products.

Health – We liaise closely with the PRC regulatory authorities and do our utmost to help them develop a healthy lottery industry. We also assist them to evaluate new forms of legal and regulated lottery avenues with a view to cracking down on the illegal gambling market.

Happiness – As a form of entertainment, lotteries are growing in popularity among the Chinese citizens, and we are privileged to bring lottery players happiness and an exciting pastime.

Luck – Lottery wins are perceived as a token of "luck", and it is one of our core corporate values to bring such luck to China's lottery players and society through our products.

Responsibility – We strive to actively contribute to the development of a responsible lottery industry which shall raise important funds for charity, welfare and sports development projects in China. We are actively involved in sports development and charity events, and we are the sponsor of a wide range of sport events.

CORPORATE CULTURE

SEEKING GROWTH THROUGH INNOVATION AND OPTIMISING MANAGEMENT FOR EFFICIENCY

Our Group will continue to develop new business segments and strengthen our research and development ability. We have established three management systems, namely the operation system, financial management system and performance appraisal system. All of them have effectively boosted our work efficiency.

Meanwhile, our Group has formed a specialist team to keep track on lottery industry development and put management theories into practice. We also strive to facilitate development of China's lottery industry by conducting studies in players' psychology, marketing and promotion strategies and the impact of new technology on lottery industry.

A PEOPLE-ORIENTED APPROACH

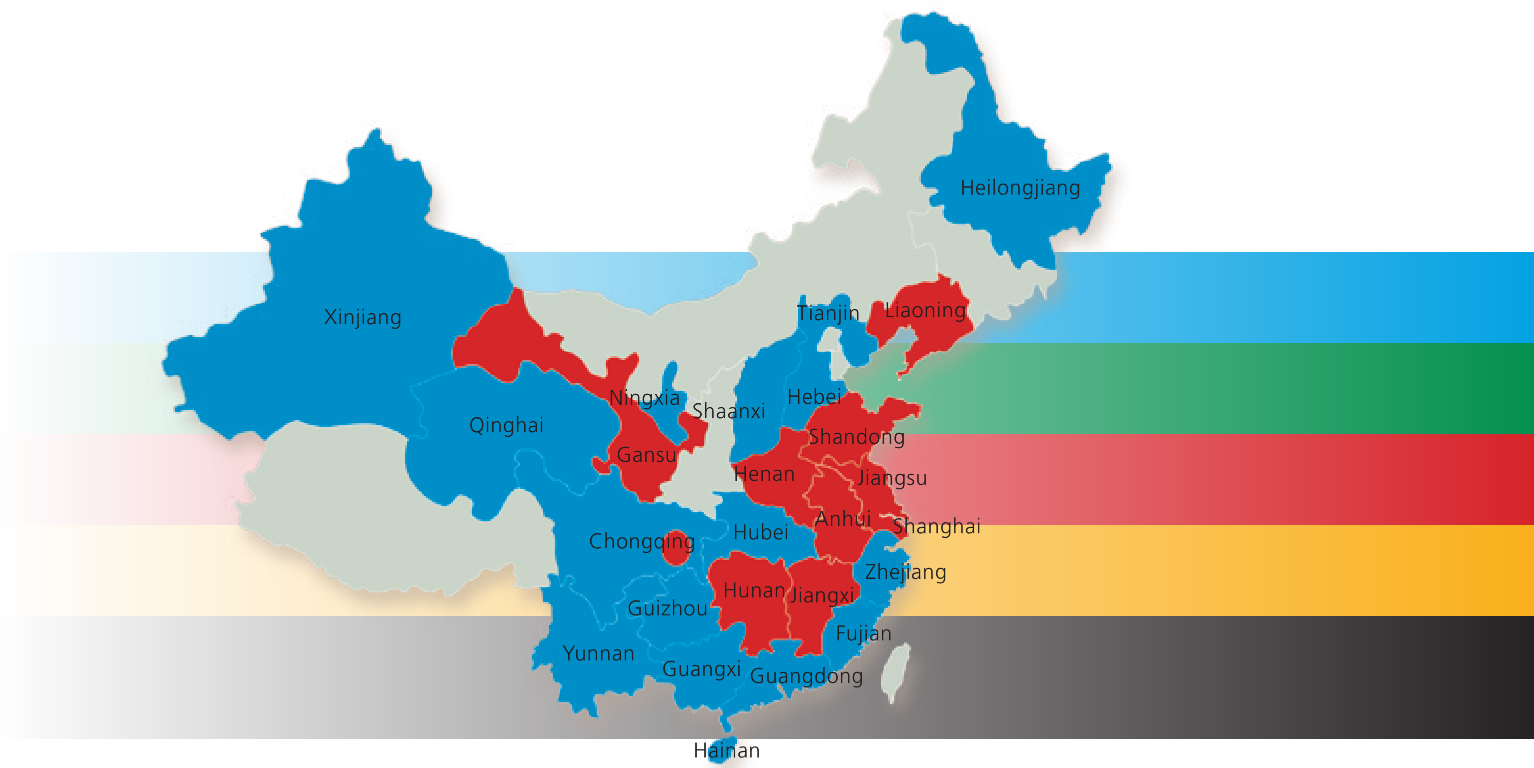
At AGTech, talents are among our biggest assets. We are supported by talented and well-skilled employees who have solid experience in the lottery industry. We offer an excellent working environment, competitive salaries and various opportunities for employees to put their skills into good use. We will continue to streamline our incentive scheme so as to motivate our employees and help them unlock their creativity.

In what demonstrates a strong team spirit of AGTech's employees, they have formed a club to organise various sports and recreational activities for staff. This has not only enhanced friendship among the employees but also consolidated the Group's corporate culture.

FOOTPRINTS OF OUR BUSINESS

As of the date of this report, the footprints of our Group's current/planned lottery businesses cover ten provinces and municipalities, namely the municipalities of Chongqing and Shanghai and the provinces of Anhui, Gansu, Henan, Hunan, Jiangsu, Jiangxi, Liaoning and Shandong in China (collectively referred to as the "Territories"). In 2009, annual sports lottery sales of the Territories totaled RMB22.4 billion, accounting for approximately 40% of the national sales. Among which, four of them (namely, Jiangsu, Shandong, Henan and Liaoning) ranked top ten in terms of their respective total annual sports lottery sales among all the provinces in China for 2009, also Jiangsu and Shandong ranked first and third respectively (source: Ministry of Finance in the PRC).

In addition, investment in GOT would provide an excellent opportunity for the Group to extend its business scope to covering the extensive client base of GOT in over 20 provinces in the PRC. Furthermore, GOT has established a comprehensive after-sales service network in several provinces and cities across the PRC. By leveraging on these comprehensive sales and service networks, the Group expects to benefit from the synergy effect thus created to further enhancing its overall efficiency and market competitiveness.



AGTech (10 provinces)
GOT (26 provinces)(supplementary to the markets of AGTech)

As a form of entertainment, lotteries are growing in popularity among the Chinese citizens, and we are privileged to bring lottery players happiness and an exciting pastime.

HAPPINESS

Chairman's Statement

Dear Shareholders,

AGTech successfully announced the acquisition of an indirect 35% equity interest in GOT in March 2010. The acquisition marks the furtherance of our business plans in strengthening our supply chain for the PRC sports lottery industry, as well as enhancing our core competitiveness. The synergy thus created will help further consolidate AGTech's leadership position in the PRC sports lottery market.

On 1 July 2009, the "Regulations on Administration of Lotteries" (hereinafter the "Regulations") approved and promulgated by the State Council was being introduced in the Chinese lottery market. The Regulations, being the first administrative regulations designed to supervise the lottery industry, represents a milestone in the development of the Chinese lottery industry and marks beginning of a new era. The Regulations, by clarifying lottery administrative system, lottery issuance and sales, drawing and prize collection, lottery fund management as well as the penalties with respect to breach of regulations, not only served to promote the regulated and healthy development of China's lottery market, but also laid a solid foundation for future innovation and breakthroughs in the industry.

With rapid economic development of China and continuous improvement in its people's disposable income, China's sports industry and thereby sports lottery market also showed a promising outlook. "Sports flourish as nation thrives" – it is expected that the various major sport events to be held this year, to name a few, the South Africa 2010 World Cup in mid-year, Guangzhou 2010 Asian Games at year-end and the annual NBA games in the United States, will provide new impetus to the lottery market and accelerate the growth momentum of sports lottery sales in China. With the support of government policy and benefitted from favourable external environmental factors, AGTech, in addition to maintaining close ties with its domestic and overseas business partners and customers, has also made tremendous efforts in the research and development of new lottery games, systems, equipment, technology and sales channels, by utilizing its abundant resources made available for international cooperation, advanced R&D technology and comprehensive industry supply chain, aiming at capturing suitable business opportunities.

As a fully integrated sports lottery solutions provider in China, AGTech continued to consolidate its market leadership position and widen its market presence in the past year. On the front of lottery consultancy and retail consultancy, in line with the rapid growth of China's lottery market, we have strived ceaselessly to achieve higher lottery sales for lottery operators. We are proud to have assisted our customers across different provinces to raise their sales to a level above national average, and gained their trust and praises. Meanwhile, in management aspect, by adopting new systems for operation, finance, administration and management, we achieved cost savings effectively and improved overall work efficiency.

Another milestone for AGTech this year – the Group has successfully announced the acquisition of an indirect 35% equity interest in GOT. As GOT is one of the largest terminal and system providers for sports lottery in the PRC, and with its client base covering over 20 provinces and cities in the PRC and strong support by its controlling shareholder, China Electronics Corporation (China's largest state-owned I.T. enterprise), we believe that the acquisition will facilitate the Group to rapidly establish a dynamic I.T. platform to capture any future market opportunities in hardware and new media business of the PRC sports lottery industry, and that the acquisition would benefit all business segments of the Group by providing excellent opportunities to further extend its sales network coverage to more provinces and cities in the PRC.

On the front of lottery games and related systems, the Group's joint venture with Ladbroke Group (a subsidiary of a reputable United Kingdom gaming company, Ladbrokes PLC) has successfully developed the high frequency virtual car racing game, "Lucky Racing" (幸運賽車), and its related open sports betting platform, which are expected to launch in the market soon. The game is highly entertaining, which allows lottery players to place a bet by using their wits and information on hand. Also notable is its exciting features – it is a monitor game runs every 12 minutes or so and is visually displayed upon in-store monitors in lottery shops and entertainment arenas, so that players can wager and watch the game and results there as a form of entertainment and pastime. In addition to meeting the demand of lottery players for entertainment and sports betting, such legal lottery entertainment would also help crack down on illegal gambling. It is expected that following the launch of the game, it would generate additional profit for the Group and bring in new market opportunities to the Group by facilitating the launch of other high frequency games on the platform.

As a lottery enterprise with strong sense of corporate social responsibility, AGTech will continue to live up to its core corporate value of enriching society through "Fortune", "Health", "Happiness", "Luck" and "Responsibility". In addition to developing games that provide responsible lottery entertainment to the public, we will respond proactively to the possible social problems arising from obsession with lottery. We have, since 2007, implemented a series of responsible lottery measures to provide lottery players with information and counseling on responsible lottery, with a view to ensure healthy and steady growth for China's lottery industry. Furthermore, we will continue to sponsor charity and sport events in China so as to fulfill our corporate social responsibility and contribute to the community.

I would like to close by thanking all staff for a magnificent performance in this demanding and challenging year, also I am immensely proud of their achievement in improving overall efficiency through hard work. I wish to thank our Board members, management team, shareholders, business partners and customers for their indispensable contribution and continuing support to AGTech. I believe that, with the continuing consolidation of AGTech's business foundation, breakthroughs will be achieved in its future development and we look forward to your continued trust and support in our future endeavors.

Yours faithfully,

Sun Ho
Chairman

Hong Kong, 23 March 2010

Lottery wins are perceived as a token of "luck", and it is one of our core corporate values to bring such luck to China's lottery players and society through our products.


LUCK

CORPORATE GOVERNANCE PRACTICES

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.

The Company has adopted the code provisions and certain recommended best practices in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the GEM Listing Rules. The Company has applied the principles of the Code in different respects, including but not limited to:

- the frequency and proper conduct of Board meetings;
- the well-balanced composition of the Board, with independent non-executive Directors representing not less than one-third of the total number of Directors at all times;
- the proper procedures for appointment and re-election of Directors;
- the establishment of an audit committee to review the financial reporting and internal controls of the Group;
- the establishment of a remuneration committee to review the remuneration policy and other remuneration-related matters for Directors and senior management of the Group;
- the establishment of a nomination committee to formulate nomination policy and make recommendations to the Board on any proposed appointment of Directors and to assess the independence of the independent non-executive Directors on a regular basis;
- the provision of briefing on the relevant requirements of the GEM Listing Rules and the Securities and Futures Ordinance to all newly appointed Directors;
- the timely supply of sufficient information to Directors for matters seeking their approval or opinions;
- the timely publications of announcements, annual, interim and quarterly results and reports to keep the Shareholders posted of the latest business developments and financial performance of the Group; and
- the holding of an annual general meeting each year to meet with the Shareholders and answer their enquiries.

During the six-month period ended 31 December 2009, the Company complied with the Code, except (as similarly disclosed on page 29 of the Company's annual report for the year ended 30 June 2009) 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 executive Director, Mr. Sun Ho, during the period under review. 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 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiry of all Directors and was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding Directors' securities transactions during the period under review.

THE BOARD

Being the highest decision-making body of the Company, the Board is responsible for the Group's corporate policy formulation, business strategies planning, business development, risk management, material acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specifically delegated by the Board to the management include the preparation of annual, interim and quarterly results for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

CORPORATE GOVERNANCE REPORT

During the six-month period ended 31 December 2009, the members of the Board comprised:

Executive Directors:	Mr. Sun Ho *(Chairman)* Mr. Robert Geoffrey Ryan Mr. Bai Jinmin Mr. Liang Yu
Non-executive Director:	Ms. Yang Yang
Independent non-executive Directors:	Mr. Kwok Wing Leung Andy Mr. Wang Ronghua Mr. Hua Fengmao

To the best knowledge of the Directors, there are no financial, business, family or other material relationships among the members of the Board. During the period under review, there were three independent non-executive Directors (representing not less than one-third of the total number of Directors) at all times and at least one of them possesses the appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules.

The Board meets at least four times each year at approximately quarterly intervals to review the financial and operating performance of the Group. The Directors participate in person or through other electronic means of communication. At least 14 days' notice of all regular Board meetings is given to all Directors while reasonable notice is generally given for other Board meetings. All Directors are given an opportunity to include matters in the agenda for discussion. The company secretary assists the chairman in the preparation of the agenda for the meeting and ensures that all applicable rules and regulations regarding the meetings are observed. The company secretary records the proceedings of each Board meeting in detail by keeping detailed minutes. Drafts of board minutes are circulated to all Directors for comments and approval as soon as practicable after the meetings. All minutes are open for inspection at any reasonable time on request by any Director.

Three Board meetings were held during the six-month period ended 31 December 2009. The attendance record of each Director is as follows:

Mr. Sun Ho	3/3
Mr. Robert Geoffrey Ryan	3/3
Mr. Bai Jinmin	2/3
Mr. Liang Yu	2/3
Ms. Yang Yang	1/3
Mr. Kwok Wing Leung Andy	2/3
Mr. Wang Ronghua	2/3
Mr. Hua Fengmao	1/3

The Board has the ultimate responsibility for the preparation of financial statements of the Group. For the six-month period ended 31 December 2009, the Board was not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Board continued to adopt the going concern approach in preparing the financial statements for the six-month period ended 31 December 2009, for which the auditors of the Company have reporting responsibilities as stated in the independent auditors' report on pages 59 to 60.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

During the six-month period ended 31 December 2009, the roles of chairman and chief executive officer of the Company were performed by the same individual, namely, the executive Director, Mr. Sun Ho. 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 were adequately and fairly represented. The Company considered that there was no imminent need to change the arrangement.

NON-EXECUTIVE DIRECTORS

The Company has received, from each of the existing independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all of such independent non-executive Directors are independent. Each of such independent non-executive Directors was appointed by way of a director's service agreement for a term of two years commencing from 19 July 2006. Following the expiry of the aforesaid service agreements on 18 July 2008, the appointment of each of such independent non-executive Directors was renewed under a new service agreement for a term of two years commencing from 19 July 2008. The non-executive Director was appointed by way of a director's service agreement for a term of two years commencing from 3 December 2007. Following the expiry of the service agreement of a non-executive Director on 2 December 2009, the appointment of such non-executive Director was renewed under a new service agreement for a term of two years commencing from 3 December 2009. The appointments of the aforesaid independent non-executive and non-executive Directors are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with its bye-laws and shall be terminated by either party to such agreement giving the other party not less than one month's written notice.

REMUNERATION OF DIRECTORS

The remuneration committee was established on 24 June 2005. During the period under review, Mr. Kwok Wing Leung Andy, Mr. Wang Ronghua and Mr. Hua Fengmao remained as members of the remuneration committee. The current chairman of the remuneration committee is Mr. Kwok Wing Leung Andy.

The remuneration committee is responsible for formulating and recommending to the Board the emolument policy, determining the remuneration of executive Directors and members of senior management of the Group, as well as reviewing and making recommendations on the Company's Share Option Scheme, bonus structure, provident fund and other compensation-related issues. The committee consults with the chairman and chief executive officer on his proposal and recommendations and also has access to professional advice if deemed necessary by the committee. The committee is also provided with other resources enabling it to discharge its duties.

The emolument policy of the employees of the Group is formulated by the remuneration committee on the basis of their performance, qualifications and competence. As incentives for their contributions to the Group, the employees of the Group and all the Directors (including the independent non-executive Directors and non-executive Director) may also be granted share options by the Company from time to time pursuant to the Share Option Scheme. The emoluments of the Directors are reviewed and approved by the remuneration committee, having regard to the Group's operating results, individual performance and comparable market remuneration packages for executive and non-executive directors of listed issuers in Hong Kong.

The specific terms of reference of the remuneration committee are posted on the website of the Company and are available to the Shareholders upon request.

During the six-month period ended 31 December 2009, no meeting was required to be held by the remuneration committee.

NOMINATION OF DIRECTORS

The nomination committee was established on 24 June 2005. During the period under review, Mr. Sun Ho, Mr. Kwok Wing Leung Andy, Mr. Wang Ronghua and Mr. Hua Fengmao were appointed as members of the nomination committee. The current chairman of the nomination committee is Mr. Kwok Wing Leung Andy. Except for the executive Director, Mr. Sun Ho, all other members of the nomination committee were independent non-executive Directors.

The nomination committee is responsible for formulating nomination policy and making recommendations to the Board on nomination and appointment of Directors and Board succession. The committee will also develop selection procedures for nomination of candidates, review the size, structure and composition of the Board, as well as assess the independence of independent non-executive Directors. The committee is provided with sufficient resources enabling it to discharge its duties.

Any member of the nomination committee is authorised to identify suitable candidates for the position of Director when there is a vacancy or an additional Director is considered necessary. Once identified, the member of the nomination committee will propose the appointment of such candidates to the nomination committee which will review the qualifications, experience and background of the relevant candidates for determining the suitability to the Group. The candidates approved by the nomination committee will then be proposed to the entire Board for final approval and, where appropriate, for recommendation to the Shareholders for their approval at the general meeting of the Company.

The specific terms of reference of the nomination committee are posted on the website of the Company and are available to the Shareholders upon request.

During the six-month period ended 31 December 2009, no meeting was required to be held by the nomination committee.

AUDITORS' REMUNERATION

Remuneration to the auditors of the Company, HLB Hodgson Impey Cheng, amounted to HK$500,000 for the six-month period ended 31 December 2009. The Group also paid HK$56,000 to HLB Hodgson Impey Cheng for the tax compliance work of the Company and certain subsidiaries for the year of assessment 2009/2010.

AUDIT COMMITTEE

The Company has established an audit committee with its written terms of reference posted on the website of the Company and available to the Shareholders upon request. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group, consider the appointment or reappointment of auditors and provide advice and comments on the Group's draft annual, interim and quarterly results and reports to the Board.

During the period under review, the three independent non-executive Directors, Mr. Kwok Wing Leung Andy, Mr. Wang Ronghua and Mr. Hua Fengmao were appointed as members of the audit committee, with Mr. Kwok appointed as the chairman of such committee.

Two meetings were held during the period under review. Record of individual attendance is as follows:

Mr. Kwok Wing Leung Andy	2/2
Mr. Wang Ronghua	2/2
Mr. Hua Fengmao	1/2

The Group's draft unaudited interim, quarterly and audited annual results were reviewed by the audit committee during the six-month period ended 31 December 2009, and the committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures had been made. The audit committee also attended a meeting with HLB Hodgson Impey Cheng, the auditors of the Company, to discuss the final results of the Group and audit status.

INTERNAL CONTROL

The Board is responsible for maintaining sound and effective internal control systems to safeguard the assets of the Group and the Shareholders' interests, as well as for reviewing the effectiveness of such systems. The Board has delegated to the management the implementation of the internal control systems and reviewing of all relevant financial, operational, compliance controls, risk management functions, the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

During the period under review, the Group delegated a manager from the head office in Hong Kong and an internal auditor from a PRC subsidiary to carry out site visits by rotation to different operating subsidiaries of the Company in China to ensure that proper accounting and internal control systems stipulated by the head office were implemented and followed by such subsidiaries.

Training was also provided to the newly appointed accounting staff in China to ensure that they were familiar with the accounting and internal control systems of the Group stipulated by the head office in Hong Kong.

SHAREHOLDERS RELATIONS

The Group is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to the Shareholders.

The Board strives to encourage and maintain constant dialogue with the Shareholders through various means. The Directors host the annual general meeting each year to meet with the Shareholders and answer their enquiries. The Company also updates the Shareholders on the Group's latest business developments and financial performance through announcements as well as annual, interim and quarterly reports. The corporate website of the Company has provided an effective communication platform to the public and the Shareholders.

Notice to the Shareholders in respect of the annual general meetings and other general meetings of the Company will be sent by the Company at least 20 clear business days and at least 10 clear business days respectively before such meetings.

We strive to actively contribute to the development of a responsible lottery industry which shall raise important funds for charity, welfare and sports development projects in China. We are actively involved in sports development and charity events, and we are the sponsor of a wide range of sport events.

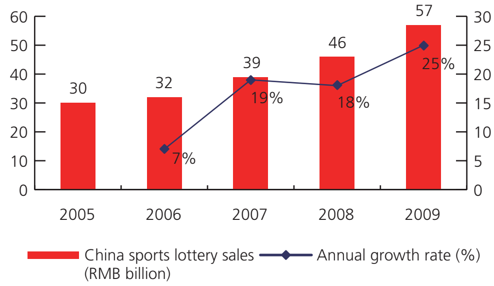

RESPONSIBILITY

INDUSTRY OVERVIEW

Overall Sales Performance of the PRC Sports Lottery Market

The year 2009 marks the 15th anniversary of China's sports lottery industry. According to the information published by the Ministry of Finance of the PRC, China's sports lottery sales exceeded RMB50 billion for the first time in 2009, reaching a record high of approximately RMB56.9 billion, with annual growth rate of approximately 25%. Sports lottery's share in the PRC lottery market maintained at roughly the same level as the previous year, at about 43%. The chart on the right indicates that sales of the China sports lottery market showed a continuous upward trend between 2005 and 2009, with a 5-year compound annual growth rate (CAGR) of approximately 17%. As China's overall economic activity continued to grow, robust development is expected to continue for the PRC lottery market.

China's sports lottery sales and annual growth rate 2005-2009



For lottery sales per capita, according to the statistics released by the world's authoritative publication for the lottery industry, La Fleurs's 2008 World Lottery Almanac, sales per capita in China amounted to US$9 in 2007, Hong Kong amounted to US$674 (roughly 75-fold over that of China), while Singapore amounted to US$880 and ranked first in the world. Compared with other countries, China's lottery sales per capita remains at low level. This, alongside with the huge underground lottery market, shows that the PRC lottery market is one with tremendous growth potential.

Game Sales Performance in the PRC Sports Lottery Market

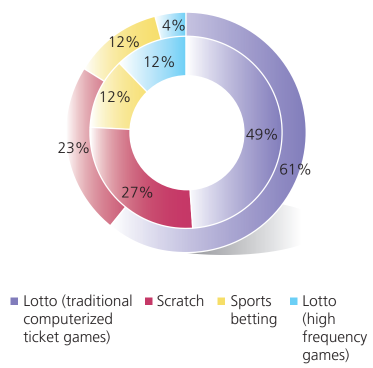
Over the past year, the PRC sports lottery market achieved outstanding performance through reinforcing product management, strengthening marketing efforts, increasing lottery terminals and points of sales, enhancing training capability as well as rolling out various new lottery games. For example, the adoption of new rules and commencement of lottery prize distribution activities for Super Lotto (超級大樂透), introduction of new million-dollar prize game for sports lottery instant scratch tickets, Dinggugua (頂呱刮), and the launch of new single match betting games and various provincial high frequency games, all contributed to the sustainable development of sports lottery in China. Besides, such innovative measures and reforms also reflected that the Chinese government will be dedicated to supporting the healthy, steady and rapid development of the sports lottery industry.

The PRC sports lottery market is basically dominated by three types of games:

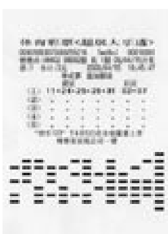
1. Lotto

Lotto game is currently the most important lottery product in the PRC sports lottery market. Sales in 2009 amounted to approximately RMB35 billion, accounting for about 61% of the total sports lottery sales (of which 49% being traditional computerized ticket games, 12% being high frequency games) (as shown in the chart on the right).

Sales of sports lottery game as a percentage of total sports lottery sales in China



Among which, high frequency games saw rapid growth in provinces, and accounted for 12% of the total sports sales in 2009, representing an approximately two-fold increase compared with 4% in 2008. Annual sales for high frequency sports lottery games amounted to approximately RMB6.6 billion in 2009, representing an annual growth rate of over 230% compared with RMB2 billion in 2008. The rapid growth in high frequency game sales was due to the increase in the number of games and expansion of market scopes.



2. Scratch

In 2009, sales of sports lottery instant scratch tickets, Dingguagua (頂呱刮), amounted to approximately RMB15.2 billion, representing an annual growth rate of approximately 48% compared with approximately RMB10.3 billion in 2008, and accounted for 27% of the total sports lottery sales in 2009, against 23% in 2008. This indicated that sports lottery instant scratch tickets has showed a steady trend in sales and has become an important game type in the PRC sports lottery market. Over the past year, there were 36 easy-to-play instant scratch games being launched in the PRC sports lottery market, with themes on sports, disaster relief fundraising, festivals and fundamentals. Among which the debut of instant scratch lottery tickets with face value of RMB20 has boosted the sales of scratch.

3. Sports Betting

2009 is a milestone year for the development of sports betting. The roll-out of the new single match betting sports lottery game, Jing Cai (競彩), made a breakthrough in the game type of China's sports lottery industry. Sales of sports betting tickets in 2009 amounted to approximately RMB6.6 billion, representing an annual growth rate of approximately 22% compared with approximately RMB5.4 billion in 2008. With reference to the experience of international lottery and gaming industry, sports betting constitutes an inevitable route of lottery market development. We believe that with further enhancement of product features, sports betting would meet the betting demand of domestic lottery players and ball game fans for major sports events, and has the potential of becoming a focal point in the lottery market.

In general, lotto games continued to maintain a leading position in the sports lottery market, while the strong sales growth in high frequency games and instant scratch lottery tickets provided new impetus to and opened a new chapter in game types for China's sports lottery sector. Looking forward to 2010, leveraging the market opportunities brought about by the forthcoming South Africa World Cup, Guangzhou Asian Games and the annual NBA games in the United States, it is expected that China's sports lottery market will step up its pace in product research and development and further improve its marketing strategies, sales channels, systems and technology to fuel the growth momentum of the lottery sales.

Lottery Regulatory Framework

At present, there are two legal lotteries in China: sports lottery issued by China Sports Lottery Administration Centre ("SLAC") (established in 1994) and welfare lottery issued by China Welfare Lottery Issuing Centre (established in 1987). The government aims to raise funds for sports and social welfare development through the issuance of lottery tickets.

The State Council is vested with the power to authorize the issuance of sports lottery and welfare lottery, and is also the highest authority to grant the rights to issue lotteries. The Ministry of Finance is responsible for administering, regulating and supervising the national lottery industry. The General Administration of Sports of China and the Ministry of Civil Affairs, both reporting to the Ministry of Finance, are responsible for administering and regulating sports lottery and welfare lottery respectively, and have established SLAC and the China Welfare Lottery Issuing Centre respectively pursuant to regulations for issuance of and organizing the sales efforts of sports lottery and welfare lottery.

Lottery Regulations

On 1 July 2009, the "Regulations on Administration of Lotteries" (hereinafter the "Regulations") approved and promulgated by the State Council was being introduced in the Chinese lottery market. The Regulations, being the first administrative regulations designed to supervise the lottery industry, represents a milestone in the development of China's lottery industry and marks beginning of a new era. The Regulations, by clarifying lottery administrative system, lottery issuance and sales, drawing and prize collection, lottery fund management as well as the penalties with respect to breach of regulations, not only served to promote the regulated and healthy development of China's lottery market, but also laid a solid foundation for future innovation and breakthroughs in the Chinese lottery industry.

BUSINESS REVIEW

The Group is committed to providing a fully integrated range of solutions for the sports lottery market in China. We are mainly engaged in the provision of territorial sports lottery marketing consultancy services, retail management consultancy services, lottery game and system development, and hardware and new media business. During the period under review, the Group continued to strengthen its leading position and competitive advantages in the PRC sports lottery industry, thereby facilitating its formation of a fully integrated supply chain in the industry.

1. Territorial marketing consultancy services

In respect of territorial sports lottery marketing consultancy services, the scope of professional management and marketing consultancy services provided by the Group covers venue selection, promotion planning, sales and marketing, brand building, training and so on. On one hand, we developed new lottery sales channels, such as promotional trucks, lottery sales booths and other lottery promotion campaigns. On the other hand, efforts have been made on reinforcing lottery promotion and training, so as to promote the entertainment values of lotteries and boost lottery sales for its customers across different provinces. During the period under review, the Group succeeded in assisting its customers across different provinces to boost their sales to a level above national average, also we gained trusts and praises from these customers.

Meanwhile, by adoption of new systems for operation, finance, administration and management, the Group achieved cost savings effectively, thereby improving its overall work efficiency and market competitiveness.

2. Retail management consultancy services

During the period under review, the Group continued to assist its customers to set up and manage lottery shops "Lottery Star Shop", and at the same time maintain close cooperation with retail chains, such as Suguo Supermarket Co., Ltd., which is the largest supermarket chain in Jiangsu province, by offering sports lottery scratch tickets through their sales outlets. As at 31 December 2009, retail outlets of the Group's customers spanned over 8 provinces and municipality; sports lottery sales in these provinces for 2009 totaled approximately RMB18.4 billion, accounting for approximately 32% of the total lottery sales in China (source: Ministry of Finance of the PRC). Lottery games sold through these lottery shops and retail chains include lotto, scratch and the latest single match betting sports lottery games, Jing Cai (競彩). The Directors believe that such comprehensive lottery retail network will facilitate the Group to launch new lottery games and systems more effectively, and benefiting other business segments as well.

3. Game software and system

For the game software and system segment, the Group's joint venture with Ladbroke Group (a subsidiary of a reputable United Kingdom gaming company, Ladbrokes PLC) has successfully developed the high frequency virtual car racing game, Lucky Racing (幸運賽車), and its related open sports betting platform, which are expected to launch in the market soon.

Driven by a central server (random number generator), the game selects a winner out of 12 cars. Lottery players can forecast the winner, first runner-up, second runner-up or combinations to win the corresponding prizes. It allows players to use their wits and place a bet according to virtual weather, conditions of cars and drivers, as well as win records. This high frequency game runs every 12 minutes or so and is visually displayed upon in-store monitors in lottery shops and entertainment arenas, so that lottery players can wager and watch the game and results there as a form of entertainment and pastime. It is expected that the game would meet the demand of lottery players for entertainment and sports betting, thereby helping to crack down on illegal gambling. We believe that the formal launch of the game would generate additional profit for the Group and bring in new market opportunities by facilitating the Group to launch other high frequency games via the platform.

4. Hardware and new media

For the hardware and new media segment, the Group announced on 5 March 2010 the acquisition of an indirect 35% equity interest in GOT. Through investment in GOT, the Group would be able to further expand its business scope in the supply of sports lottery sales terminals and systems. As GOT is one of the largest terminal and system providers for sports lottery in the PRC with a client base covering over 20 provinces and cities, it is expected that the acquisition would benefit all other business segments of the Group by providing excellent opportunities to further extend its sales network coverage to more provinces and cities in the PRC.

Furthermore, considering that GOT is equipped with cutting-edge production, research and development and innovation capabilities, and has strong support by its controlling shareholder, China Electronics Corporation (China's largest state-owned I.T. enterprise), it is expected that the acquisition not only would facilitate the Group to rapidly establishing a dynamic I.T. platform to develop new sports lottery technology and capture any future market opportunities in the PRC sports lottery industry, but would also create synergy effect for the Group's current undertakings in the research and development of new sports lottery technology and new media business, such as portable lottery sales terminals and self-service terminals.

OUTLOOK

It is expected that the forthcoming major sport events, including South Africa 2010 World Cup, Guangzhou 2010 Asian Games and the annual NBA games in the United States, are set to boost the sports development in China, thereby further fuelling the demand for sports lottery. Meanwhile, the introduction of the Regulations reflects the commitment of the Chinese government to supporting legal lottery and cracking down on illegal gambling amid the robust sports development nationwide, which is conducive to a favorable operational environment for the Group's advancement. Also, China's sports lottery industry is set to boom further in line with the continuous growth of the national economy.

The above factors are conducive to the expansion of the Group's business, broadening of its client base and enhancing profitability. In addition to vigorously capturing the business opportunities emerging from the rapid growth of the PRC sports lottery industry, the Group will continue to place great emphasis on maintaining close ties with major business partners. As such, the Group will continue to seek for potential business partners and forge more strategic business alliances, with a view to increasing its market share and ultimately maximizing returns for the Shareholders.

REVIEW OF OPERATING RESULTS

Revenue and profitability

Revenue of the Group for the period under review amounted to approximately HK$33.8 million (for the year ended 30 June 2009: revenue restated amounted to approximately HK$59.0 million). All revenue for the period under review was derived from provision of sports lottery management and marketing consultancy services and supply of sports lottery sales terminals (and accessories). During the period under review, the gross profit percentage stood at approximately 60.9% (for the year ended 30 June 2009: the gross profit percentage was approximately 41.1%). The increase in gross profit percentage was due to the effect of strict costs control measures carried out by the Group for the period.

Loss attributable to owners of the Company for the period under review amounted to approximately HK$35.4 million, primarily due to (i) the share-based payments (totalling approximately HK$12.8 million) as a result of the adoption of Hong Kong Financial Reporting Standard 2 *Share-based Payment* for share options of the Company granted to Directors, eligible employees and other eligible participants under the Share Option Scheme of the Company; (ii) the amortisation of other intangible assets (totalling approximately HK$19.7 million); and (iii) profit on disposal of discontinued operation (Enterprise solutions) of approximately HK$8.9 million in which approximately HK$11.1 million is mainly due to release of related contributed surplus reserve from equity to profit or loss account.

Capital resources and liquidity

Net bank balances and cash at 31 December 2009 were approximately HK$141.5 million (at 30 June 2009: approximately HK$171.7 million). The total assets and net current assets of the Group at 31 December 2009 were approximately HK$1,036.0 million and approximately HK$201.2 million respectively.

During the period under review, the Group maintained a debt-free capital structure. The Group financed its operations primarily with internally generated cashflows as well as the proceeds from previous fund raising exercises and from the exercising by grantees of the share options granted under the Share Option Scheme.

Capital commitments

	At 31 December 2009 HK$	At 30 June 2009 HK$
Contracted but not provided for:		
Research and development expenditures	**1,241,861**	–

Charges on Group's assets

At 31 December 2009, there was no charge on the assets of the Group.

Foreign exchange exposure

At 31 December 2009, the Group's bank deposits denominated in Hong Kong Dollars and Renminbi. Since all of its revenue-generating operations, monetary assets and liabilities of the Group are conducted or transacted substantially in Hong Kong Dollars and Renminbi, which is not freely convertible into foreign currencies, the Group faced minimal exchange rate risk during the period under review.

Contingent liabilities

At 31 December 2009, the Group had no material contingent liabilities.

Employees' information

At 31 December 2009, the Group had 167 (at 30 June 2009: 214) employees in Hong Kong and the PRC. Total staff costs (excluding Directors' emoluments) for the period ended 31 December 2009 amounted to approximately HK$9.9 million.

The Group's remuneration policies are formulated on the basis of performance and experience of individual employees and are in line with local market practices. In addition to salary, the Group also offers to its employees other fringe benefits including year-end bonus, Share Option Scheme, contributory provident fund, social security fund, medical benefits and training.

DIRECTORS

Mr. Sun Ho – Executive Director and Chairman

Mr. Sun Ho, aged 41, is the executive director and chairman of the Company as well as authorised representative, compliance officer and member of the nomination committee of the Company.

Mr. Sun has extensive experience in the financial management of enterprises. He holds a bachelor degree in Economics from the University of Sydney in Australia and a master degree in Corporate Finance from the Hong Kong Polytechnic University. Mr. Sun is a member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. As a part-time researcher of the China Center for Lottery Studies, Peking University, Mr. Sun has completed a number of significant research studies regarding the development and future prospects of the Asia Pacific's gaming markets. Mr. Sun has always dedicated himself to the development of China's lottery markets.

Mr. Sun was previously the CEO of China LotSynergy Holdings Limited, the issued shares of which are listed on GEM of the Stock Exchange, and an executive director of Burwill Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange and had worked for KPMG, an international accounting firm, where he was involved in the auditing and due diligence activities for clients.

Mr. Robert Geoffrey Ryan – Executive Director

Mr. Robert Geoffrey Ryan, aged 51, is the head of gaming and executive director of the Company. He is also a director of Asia Gaming Technologies Limited, an indirect 51%-owned subsidiary of the Company, and its wholly-owned subsidiary, 亞博泰科科技(北京)有限公司 (Asia Gaming Technologies (Beijing) Co., Ltd.) and Maxprofit Management Limited, an indirect wholly-owned subsidiary of the Company.

Mr. Ryan brings to the Company over 17 years of experience in senior roles within the international gaming and wagering industry. Mr. Ryan has accumulated a broad range of operational, business development and implementation expertise across industry sectors including sports betting operations, on-line lottery operations, pari-mutuel and fixed odds wagering, electronic gaming machine (EGM) and video lottery terminal (VLT) operations, casino operations and gaming systems implementation/integration. Through his tenure with Australia's leading gaming companies, Tabcorp Holdings Limited (Australia's largest gaming and wagering company), Jupiters Limited (casinos and hospitality) and AWA Limited (gaming systems), Mr. Ryan has developed and/or managed gaming operations within Asia and the Asia Pacific region including India, Malaysia, Philippines, Vietnam and Thailand. Most recently in his capacity as Regional Manager, Mr. Ryan was instrumental over a 3-year campaign to have Tabcorp systems, lottery game designs and operations approved in China at the central government level. Mr. Ryan shall provide advice and assistance to the Group with respect to gaming operations design and implementation, business development and gaming business review.

Mr. Bai Jinmin – Executive Director

Mr. Bai Jinmin, aged 43, is the executive director of the Company. He is also a director of 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.), 北京思德泰科科技發展有限公司 (Beijing Systek Science & Technology Development Co., Ltd.), 遼寧世紀星彩企業管理有限公司 (China Lottery Management (Liaoning) Co., Ltd.) and 亞博互動信息科技(上海)有限公司 (AGTech Interactive Information Technology (Shanghai) Co., Ltd.), being indirect wholly-owned subsidiaries of the Company, responsible for their business development, strategic planning and supervision of their operations.

Mr. Bai has over 15 years of experience in business development, investment, corporate management and strategic planning. Prior to joining the Group, Mr. Bai was the director of Louis DreFus Energy (SPEC) Pte Ltd., managing director of SPEC Overseas (Holdings) Pte Ltd., vice president of Shenzhen Petrochemical Industry (Holdings) Co., Ltd., chairman of Shenzhen GETOS Fine Silicons Co., Ltd., director of Sinoying Logistics Pte Ltd. and executive director of STAR Pharmaceutical Limited, the issued shares of which are listed on Singapore Exchange Limited.

Mr. Bai holds a bachelor degree in Engineering from 杭州電子工業學院 (the Electronics Institute of Hangzhou), the PRC (now known as Hangzhou Dianzi University (杭州電子科技大學)) and a master degree in Business Administration from the National University of Singapore.

Mr. Liang Yu – Executive Director

Mr. Liang Yu, aged 37, is the executive director of the Company and the director of 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.) and 北京思德泰科科技發展有限公司 (Beijing Systek Science & Technology Development Co., Ltd.) and 亞博互動信息科技(上海)有限公司 (AGTech Interactive Information Technology (Shanghai) Co., Ltd.), being indirect wholly-owned subsidiaries of the Company.

Mr. Liang has approximately 14 years of law practice experience. Before joining the Company, Mr. Liang was a partner with Haiwen & Partners, a law firm in the PRC. He has been advising clients on a variety of legal issues involving foreign direct investment and private equity investment in the PRC as well as other forms of foreign trade and economic cooperation activities. In addition, Mr. Liang has extensive experience in the area of dispute resolution in respect of international commercial transactions.

He received his LL.B degree from the University of International Business & Economics in Beijing, the PRC in 1994 and his LL.M degree from the New York University Law School in New York, the United States of America in 2003.

Ms. Yang Yang – Non-Executive Director

Ms. Yang Yang, aged 33, is the non-executive director of the Company.

Ms. Yang was elected as a member of the International Olympic Committee on 12 February 2010. Ms. Yang was an Olympic short track speed skater and a member of the Chinese national short track team. As one of the world's most powerful short-track speed skaters, Ms. Yang has won a total of 59 world titles and broken world record six times in her career in World Championships and World Cup events. Most notably, her winning of two gold medals in the women's 500 metres and 1,000 metres short tracks at the 2002 Winter Olympics made her the first athlete from the PRC to win a gold medal at the Winter Olympics and the first woman athlete from the PRC to win two short-track individual events at one Olympics. She has dominated short track speed skating for many years and was called the "Queen of Short Track Speed Skating" in the PRC.

Ms. Yang is enthusiastic to participate in volunteer work to contribute to the Olympics and the society. She was a representative of the 11th session of the National People's Congress of the PRC and was elected as a delegate of the 16th National Congress of the Communist Party of China in 2002 and she was a consultant of the Volunteer Department of Beijing Olympic Organisation Committee and an anchor woman of "Olympics in China" in CCTV-4. In addition, she has served on the Chinese Olympic Committee, the Athletes Committee of the International Skating Union (ISU), the Women and Sport Committee of the International Olympic Committee, and the Athletes Committee of the World Anti Doping Agency. In recognition of her important contributions to the society, Ms. Yang was also voted as (i) one of the ten outstanding young persons in the PRC by All-China Youth Federation, China Youth Development Foundation and ten news agencies in 2002, (ii) one of the ten excellent women of China by All-China Women's Federation and eleven news agencies in 2002, (iii) the best female athlete and the most popular female athlete by Chinese Olympic Committee, All-China Sports Federation and CCTV in 2002, and won numerous sports awards from the Chinese National Sports Committee. Ms. Yang holds a bachelor degree in Business Administration from Tsinghua University, the PRC.

Mr. Wang Ronghua – Independent Non-executive Director

Mr. Wang Ronghua, aged 64, is the First Advisory Officer of Beijing Budding Flower International Cultural Promotions Co., Ltd. and the chief representative of Treasury Holdings China Limited in Beijing. He has been appointed as independent non-executive director as well as member of each of the audit, remuneration and nomination committees of the Company since 19 July 2006.

Mr. Wang graduated from the Beijing Institute of Foreign Trade. Prior to the appointment as independent non-executive Director, Mr. Wang held various positions in the PRC Government. Mr. Wang was the general manager of Beijing Personnel Service Corporation for Diplomatic Missions, the general manager of China Jiaoyuan Corporation for International Economic and Technical Cooperation, the first deputy director general of Beijing Service Bureau for Diplomatic Missions and an ambassador of the PRC to the Republic of Iceland. Thereafter, Mr. Wang joined Shanghai Institute of International Finance as vice president and was the chief operating officer of Shanghai Sinoman Industrial (Group) Ltd.

Mr. Hua Fengmao – Independent Non-executive Director

Mr. Hua Fengmao, aged 41, is the Managing Director of BOCOM International (Asia) Limited. He has been appointed as independent non-executive Director as well as member of each of the audit, remuneration and nomination committees of the Company since 19 July 2006.

Mr. Hua obtained a bachelor degree and a master degree in English Language & Literature from the Shanghai International Studies University, Shanghai, the PRC. Mr. Hua obtained a master degree in Business Administration from the International University of Japan, Niigata, Japan. Prior to joining BOCOM International (Asia) Limited, Mr. Hua held various positions in various investment banks. Mr. Hua was the founding partner and managing director of China Finance Strategies Limited, the managing director of investment banking of CLSA Equity Capital Markets Limited, the general manager of Cazenova Asia Limited, manager of ICEA Capital Limited and associate investment banking officer of Bank of America NT&SA.

Mr. Kwok Wing Leung Andy – Independent Non-executive Director

Mr. Kwok Wing Leung Andy, aged 35, has over 13 years of local and overseas financial and general management experiences and has experience in the trading business in the PRC. He has been appointed as independent non-executive Director as well as member of each of the audit, remuneration and nomination committees of the Company since 19 July 2006.

Mr. Kwok holds a master degree in Business Administration from Tsinghua University, the PRC and a bachelor degree in Economics from the University of Sydney in Australia. Mr. Kwok is a member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia. With effect from 1 April 2009, Mr. Kwok resigned as chairman of Asia Coal Limited (formerly known as Nubrands Group Holdings Limited) but remained as its executive director. The issued shares of Asia Coal Limited are listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. Shen Weihong

Mr. Shen Weihong is the director of SYSTEK LTD, 北京思德泰科科技發展有限公司 (Beijing Systek Science & Technology Development Co., Ltd.), 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.), 湖南世紀星彩企業管理有限公司 (China Lottery Management (Hunan) Co., Ltd.) and 江西世紀星彩企業管理有限公司 (China Lottery Management (Jiangxi) Co., Ltd.), all being indirect wholly-owned subsidiaries of the Company. He is also the director of Asia Gaming Technologies Limited, an indirect 51%-owned subsidiary of the Company, and its wholly-owned subsidiary 亞博泰科科技(北京)有限公司 (Asia Gaming Technologies (Beijing) Co., Ltd.), responsible for their business development, strategic planning and supervision of their operations.

Mr. Shen has extensive experience in corporate strategy, business planning, acquisitions and mergers, business development, finance and corporate finance. Prior to joining the Group, Mr. Shen was a senior corporate management consultant and project manager of KPMG Consulting (now known as BearingPoint Consulting Co.), providing advisory services to international financial institutions and multinational companies on commerce, finance and corporate management. Prior to that, Mr. Shen was the director of the business development division of Theracor Pharmaceuticals Inc., an adviser to China Brilliance Group and a senior researcher and senior business analyst of Biogen Inc, Massachusetts, US.

Mr. Shen holds a bachelor degree in Biotech Engineering from East China University of Science and Technology as well as a master degree in Business Administration from Babson College, Massachusetts, US.

Mr. Chen Ming Hui

Mr. Chen Ming Hui is the director and business operational officer of 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.), an indirect wholly-owned subsidiary of the Company, and responsible for business development, marketing and sales strategy planning, and supervision of daily operations.

Mr. Chen has over 19 years of experience in China's lottery industry and possesses extensive professional knowledge with respect to the market trend, market demand, sales operation, management consultancy and system technology of the PRC lottery industry. Prior to joining the Group, Mr. Chen was the general manager and CEO of 北京國彩咨詢有限公司 (Beijing Guocai Marketing Co., Ltd.) (now known as 江西國彩營銷策劃有限公司 (Jiangxi Guocai Marketing Co., Ltd.), the general manager and CEO of 北京昌黎華夏葡萄酒有限公司 (Beijing Chang Li Huaxia Wine Co., Ltd.), and the head of marketing of 北京太盈科技發展有限公司 (Beijing Tera Science & Technology Development Co., Ltd.).

As a result of Mr. Chen's contribution to the society, Mr. Chen was awarded 2nd young entrepreneur in Jiangxi province (江西省第二屆優秀青年企業家) and the outstanding young entrepreneur in Jiangxi province (江西省傑出青年企業家). Mr. Chen graduated in Management from Jiangxi Economic Management Institute.

Ms. Wei Huanyi

Ms. Wei Huanyi is the senior manager of the business development division (Greater China) of the Group and responsible for planning and development of new media business.

Ms. Wei has extensive experience in marketing, network and channel building, brand promotion, governmental affairs and public relations, media planning and logistics management. Prior to joining the Group, Ms. Wei served in the Ministry of Commerce of the PRC and certain enterprises directly under its supervision for over 11 years, responsible for the building of the nation-wide network for food and commerce systems and the logistics. She also participated in the implementation of the food circulation projects of the World Bank in China and the co-ordination work of the committees of the State Council of China. Ms. Wei was the manager of a TV shopping program on CCTV, deputy general manager of China Television TV shopping Co., Ltd., General Manager of Hua Mei Xin Yuan International Advertisement Co., Ltd., secretary general of TV Shopping Association of TV Committee of China Advertising Association, deputy general manager of Zhongshi Group Co., Ltd., responsible for the exploration of the commercial property throughout the country and the management of all kinds of properties.

Ms. Wei holds a bachelor degree in Economics from Beijing Institute of Business. She is an economist, a senior professional manager certified jointly by China General Chamber of Commerce and American International Chamber of Commerce, a member of China Federation of Logistics & Purchasing, and the vice-chairman of the Professional Committee of Media Shopping, China General Chamber of Commerce.

Mr. Kwok Kei Wai

Mr. Kwok is the senior assistant to executive directors of the Group. He joins the Group after working as Chief Consultant (PRC) for Scientific Games ("SGI"), a major lottery firm based in the United States, laying most of the ground work for SGI's successful involvement within China's lottery market.

Mr. Kwok also brings to the Company over 30 years of gaming experiences at most levels within the industries and with the last 16 years based in the PRC. During his tenure in the PRC, Mr. Kwok has served as a marketing director (PRC) for Autotote Corp., managing director and general manager for Guangzhou SuiHua Technique Company (廣州穗華科技), managing director for Guangzhou JianGuoJianCheng Techniques and Consulting Services (廣州建國建成科技諮詢服務有限公司) and an executive director for Shanghai Lottery Information Company (上海申彩科技).

Mr. Fang Yanping

Mr. Fang Yanping is the director of information management of 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.), an indirect wholly-owned subsidiary of the Company, responsible for information planning and management.

Mr. Fang has almost 10 years of experience in media planning and management for China's sports and welfare lotteries. Prior to joining the Group, Mr. Fang worked as the chief editor for the official website of SLAC and the chief officer of lottery business for China Interactive Sports (responsible for the operation of the official websites of General Administration of Sport of China and the Chinese Olympic Committee). In addition, he was in charge of the official website of the Chinese Olympic Committee and news reporting during 2008 Olympic and Paralympic Games.

Mr. Fang holds a bachelor degree in Management from Shandong University, the PRC, and a master degree in Business Administration from University of International Business and Economics. He is an editor of several books relating to the development and analysis of lottery industry in China.

Mr. Xu Zhengning

Mr. Xu Zhengning is the deputy director of 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.), an indirect wholly-owned subsidiary of the Company, responsible for product development as well as system research and development, design, building and implementation.

Mr. Xu has nearly 12 years of experience in China's sports lottery business and possesses professional knowledge of the system design, lottery game development, technical implementation, maintenance and support of the computerised sports lottery system. Prior to joining the Group, Mr. Xu was a system engineer and project manager of 北京電彩計算機系統有限公司 (Beijing Lottery Computer Systems Co., Ltd.) and 中體彩科技發展有限公司 (China Sports Lottery Technology Development Co., Ltd.), respectively.

Mr. Xu graduated from Beijing Institute of Technology, majoring in computer applications.

Mr. Alex Kovach

Mr. Alex Kovach is a director of two of the Company's subsidiaries, namely, Asia Gaming Technologies Limited and 亞博泰科科技(北京)有限公司 (Asia Gaming Technologies (Beijing) Co., Ltd.). He has over 4 years of experience in the leisure and gaming industry and is responsible for the business development, strategic planning and management of these subsidiaries. Mr. Kovach is also the Chief Executive Officer – International Development of Ladbrokes PLC. He holds a bachelor degree in Geography from Durham University, the United Kingdom and a master degree in Business Administration from INSEAD, France. He is a member of the Institute of Directors and the Marketing Society in the United Kingdom.

Mr. Kevin Hopgood

Mr. Kevin Hopgood is a director of two of the Company's subsidiaries, namely, Asia Gaming Technologies Limited and 亞博泰科科技(北京)有限公司 (Asia Gaming Technologies (Beijing) Co., Ltd.). He has over 35 years of experience in the leisure and gaming industry and is responsible for the business development, strategic planning and management of these subsidiaries. Mr. Hopgood is also the Managing Director – International Development of Ladbrokes Betting & Gaming Ltd. He holds a Master's Degree in Business Administration from the University of Portsmouth in the United Kingdom and a Diploma in Marketing from the Chartered Institute of Marketing in the United Kingdom. He is a Fellow of the Chartered Management Institute (FCMI) in the United Kingdom, a Member of the Institute of Directors in the United Kingdom and a Member of the Chartered Institute of Marketing (MCIM) in the United Kingdom as well as being a Chartered Institute of Marketing's designated Chartered Marketer.

Mr. Wong Wai Sing

Mr. Wong Wai Sing was appointed as the company secretary, authorised representative and senior financial controller of the Company with effect from 4 March 2009. Mr. Wong is a fellow member of the Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Wong holds a master degree in Professional Accounting from the Hong Kong Polytechnic University. He has extensive experience in the financial and accounting functions of various listed companies in Hong Kong and had been a company secretary for a Hong Kong main board listed company for over five years. Mr. Wong is responsible for overseeing the company secretarial, financial reporting and accounting functions of the Group.

Ms. Lo Kei Chi

Ms. Lo Kei Chi is the financial controller of the Company. Ms. Lo holds a bachelor degree in Arts from the University of Hong Kong. Ms. Lo is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia and has over 15 years of experience in accounting. Prior to joining the Company, Ms. Lo had worked as finance manager in a multinational company.

DIRECTORS' REPORT

The Directors present the annual report and the audited consolidated financial statements of the Group for the six-month period ended 31 December 2009.

CHANGE OF FINANCIAL YEAR END DATE

The financial year end date of the Company has been changed from 30 June to 31 December commencing from the financial year 2009. Accordingly, the current financial period covers a six-month period from 1 July 2009 to 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are set out in note 35 to the consolidated financial statements.

RESULTS

The results of the Group for the six-month period ended 31 December 2009 are set out in the consolidated statement of comprehensive income on pages 61 to 62.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the period under review are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company's share capital are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group for the period under review are set out in the consolidated statement of changes in equity.

The Company has no reserves available for distribution to the Shareholders at both balance sheet dates.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

FINANCIAL SUMMARY

A summary of the results of the Group and of the assets and liabilities of the Group for the six-month period ended 31 December 2009 and past 4 financial years from the year ended 30 June 2006 is set out on page 132.

DIRECTORS

The Directors during the period under review and up to the date of this report were:

Executive Directors:

Mr. Sun Ho	(appointed on 19 July 2006)
Mr. Robert Geoffrey Ryan	(appointed on 21 May 2007)
Mr. Bai Jinmin	(appointed on 19 September 2007)
Mr. Liang Yu	(appointed on 23 April 2008)

Non-executive Director:

Ms. Yang Yang	(appointed on 3 December 2007)

Independent non-executive Directors:

Mr. Wang Ronghua	(appointed on 19 July 2006)
Mr. Hua Fengmao	(appointed on 19 July 2006)
Mr. Kwok Wing Leung Andy	(appointed on 19 July 2006)

In accordance with Bye-laws 86 and 87 of the Company, certain remaining Directors (namely, Mr. Liang Yu, Ms. Yang Yang and Mr. Wang Ronghua) will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE AGREEMENTS

Mr. Sun Ho was appointed as an executive Director under a service agreement with no fixed term of service commencing from 19 July 2006. The service agreement shall continue thereafter until terminated by either party thereto giving the other party not less than one month's notice in writing.

Mr. Robert Geoffrey Ryan was appointed as an executive Director under a service agreement for a term of two years expiring on 30 April 2011 until being terminated by either party thereto giving the other party not less than three months' notice in writing.

Mr. Bai Jinmin was appointed as an executive Director under a service agreement for a term of two years expiring on 18 September 2011 until being terminated by either party thereto giving the other party not less than three months' notice in writing.

Mr. Liang Yu was appointed as an executive Director and a director of one of the Company's subsidiaries, 世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.) in the PRC, each under a service agreement for a term of two years expiring on 22 April 2010 until such agreements being terminated by either party thereto giving the other party not less than three months' notice and one month's notice in writing respectively.

Ms. Yang Yang was appointed as a non-executive Director under a service agreement for a term of two years expiring on 2 December 2011 until being terminated by either party thereto giving the other party not less than one month's notice in writing.

Each of Mr. Kwok Wing Leung Andy, Mr. Wang Ronghua and Mr. Hua Fengmao was appointed as independent non-executive Director under a service agreement for a term of two years expiring on 18 July 2010 until being terminated by either party thereto giving the other party not less than one month's notice in writing.

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service agreement which is not determinable by the Group within one year without payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance to which the Company, any of its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period under review or at any time during the period under review.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 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:

	Number of Shares			
Name of Director	**Personal interest**	**Corporate interest**	**Total**	**Approximate percentage held**
Mr. Sun Ho	27,078,000	2,006,250,000 (Note)	2,033,328,000	56.77%
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%

Note: 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.

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)	As at 1 July 2009	Granted During the six-month period	Exercised During the six-month period	Forfeited during the six-month period	As at 31 December 2009
	Number of underlying Shares entitled (in respect of share options of the Company)							
Mr. Robert Geoffrey Ryan	9 October 2008	0.2198	9 October 2009 – 8 October 2013	13,375,000	–	–	–	13,375,000 (representing approximately 0.37% of the issued share capital of the Company)
Mr. Bai Jinmin	9 October 2008	0.2198	9 October 2009 – 8 October 2013	13,375,000	–	–	–	13,375,000 (representing approximately 0.37% of the issued share capital of the Company)
Mr. Liang Yu	9 October 2008	0.2198	9 October 2009 – 8 October 2013	13,375,000	–	–	–	13,375,000 (representing approximately 0.37% of the issued share capital of the Company)
Ms. Yang Yang	9 October 2008	0.2198	9 October 2009 – 8 October 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 December 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.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period under review was the Company, any of its holding company, subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 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)	2,006,250,000	56.01%

Note: 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.

Save as disclosed above, as at 31 December 2009, the Directors or chief executives 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 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 December 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 as disclosed above, as at 31 December 2009, there was no other person 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.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained sufficient public float of the Shares, representing no less than 25% of the total issued Shares as required under the GEM Listing Rules.

SHARE OPTIONS

Particulars of the Company's Share Option Scheme and details of movements in the share options under such scheme during the period under review are set out in note 32 to the consolidated financial statements.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the period under review.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of revenue for the period under review attributable to the Group's major customers were as follows:

– the largest customer	73.34%
– five largest customers combined	97.03%

The percentage of purchases for the period under review attributable to the Group's five largest suppliers combined was less than 30%.

At no time during the period under review did the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers or suppliers.

INTERESTS IN COMPETING BUSINESS

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.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors are independent.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is formulated by the remuneration committee on the basis of their performance, qualifications and competence. As incentives for their contributions to the Group, the employees of the Group and all the Directors (including the independent non-executive Directors and non-executive Director) may also be granted share options by the Company from time to time pursuant to the Share Option Scheme.

The emoluments of the Directors are decided by the remuneration committee, having regard to the Company's operating results, individual performance and comparable market remuneration packages for executive and non-executive directors of listed issuers in Hong Kong.

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 audited consolidated financial statements of the Group for the six-month period ended 31 December 2009 have been reviewed and commented on by the audit committee.

AUDITORS

HLB Hodgson Impey Cheng, the auditors of the Company, will retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Sun Ho
Chairman

23 March 2010

HLB 國衛會計師事務所
Hodgson Impey Cheng

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF AGTECH HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of AGTech Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 61 to 131, which comprise the consolidated statement of financial position as at 31 December 2009, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period ended 31 December 2009, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Companies Act of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2009 and of the Group's loss and cash flows for the six-month period ended 31 December 2009 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng
Chartered Accountants
Certified Public Accountants

Hong Kong, 23 March 2010

Consolidated Statement Of Comprehensive Income

For the period ended 31 December 2009

	Notes	**Period ended 31 December 2009 HK$**	Year ended 30 June 2009 HK$ (As restated)
Continuing operations			
Revenue	7	**33,822,293**	58,988,495
Cost of sales and services		**(13,236,893)**	(34,739,385)
Gross profit		**20,585,400**	24,249,110
Bank interest income		**1,327,959**	2,632,778
Other (cost)/income		**(58,250)**	188,807
Selling and administrative expenses		**(42,215,563)**	(63,402,528)
Loss from business operations		**(20,360,454)**	(36,331,833)
Share-based payments		**(12,848,042)**	(123,090,447)
Net foreign exchange gain/(loss)		**1,209,532**	(57,676)
Amortisation of other intangible assets	18	**(19,656,315)**	(39,270,108)
Loss before tax		**(51,655,279)**	(198,750,064)
Income tax	9	**3,290,160**	7,910,646
Loss for the period/year from continuing operations	11	**(48,365,119)**	(190,839,418)
Discontinued operation	10		
Profit/(loss) for the period/year from discontinued operation		**8,897,185**	(262,425)
Loss for the period/year		**(39,467,934)**	(191,101,843)
Other comprehensive income			
Exchange differences on translating foreign operations		**1,152,733**	(2,610,263)
Exchange differences released upon disposals of subsidiaries		**25,580**	53,553
Other comprehensive income for the period/year, net of tax		**1,178,313**	(2,556,710)
Total comprehensive income for the period/year		**(38,289,621)**	(193,658,553)

Consolidated Statement Of Comprehensive Income

For the period ended 31 December 2009

	Notes	**Period ended 31 December 2009 HK$**	Year ended 30 June 2009 HK$ (As restated)
Loss attributable to:			
Owners of the Company		**(35,370,999)**	(189,499,731)
Non-controlling interests		**(4,096,935)**	(1,602,112)
		(39,467,934)	(191,101,843)
Total comprehensive income attributable to:			
Owners of the Company		**(34,195,430)**	(192,045,625)
Non-controlling interests		**(4,094,191)**	(1,612,928)
		(38,289,621)	(193,658,553)
Loss per Share	14		
From continuing and discontinued operations			
Basic and diluted		**HK0.99 cent**	HK5.30 cents
From continuing operations			
Basic and diluted		**HK1.24 cents**	HK5.30 cents

Consolidated Statement Of Financial Position

At 31 December 2009

	Notes	At 31 December 2009 HK$	At 30 June 2009 HK$
Non-current assets			
Property, plant and equipment	15	**21,665,730**	25,112,795
Goodwill	16	**663,365,373**	662,199,119
Other intangible assets	18	**100,391,297**	119,638,728
Investment in an associate	19	**–**	–
Deposits and prepayments	23	**41,283,167**	46,175,666
Other assets		**1,615,392**	1,612,552
		828,320,959	854,738,860
Current assets			
Inventories	20	**–**	114,958
Trade receivables	21	**17,452,520**	9,592,417
Amounts due from customers for contract work	22	**–**	1,539,009
Other receivables, deposits and prepayments	23	**48,714,279**	35,701,425
Pledged bank deposits	24	**–**	501,217
Bank balances and cash	24	**141,520,650**	171,706,715
		207,687,449	219,155,741
Current liabilities			
Trade payables	25	**–**	779,388
Other payables, accruals and deposits received	26	**6,157,466**	5,948,026
Current tax liabilities		**290,489**	1,201,501
		6,447,955	7,928,915
Net current assets		**201,239,494**	211,226,826
Total assets less current liabilities		**1,029,560,453**	1,065,965,686
Non-current liabilities			
Deferred tax liabilities	27	**24,018,011**	28,883,166
Net assets		**1,005,542,442**	1,037,082,520
Capital and reserves			
Share capital	28	**7,163,670**	7,162,670
Reserves		**995,318,893**	1,027,665,780
Equity attributable to owners of the Company		**1,002,482,563**	1,034,828,450
Non-controlling interests		**3,059,879**	2,254,070
Total equity		**1,005,542,442**	1,037,082,520

The consolidated financial statements were approved and authorised for issue by the Board on 23 March 2010 and were signed on its behalf by:

Sun Ho
Director

Robert Geoffrey Ryan
Director

Consolidated Statement of Changes in Equity

For the period ended 31 December 2009

	Share capital HK$ *(Note 28)*	Share premium HK$	Share options reserve HK$	Statutory reserve HK$ *(Note (a))*	Exchange reserve HK$	Contributed surplus HK$ *(Note (b))*	Accumulated losses HK$	Attributable to owners of the Company HK$	Non-controlling interests HK$	Total 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
Loss for the year	–	–	–	–	–	–	(189,499,731)	(189,499,731)	(1,602,112)	(191,101,843)
Other comprehensive income for the year	–	–	–	–	(2,545,894)	–	–	(2,545,894)	(10,816)	(2,556,710)
Total comprehensive income for the year	–	–	–	–	(2,545,894)	–	(189,499,731)	(192,045,625)	(1,612,928)	(193,658,553)
Recognitions of equity-settled share-based payments	–	–	123,090,447	–	–	–	–	123,090,447	–	123,090,447
Shares issued on exercise of part of a share option	2,500	325,000	(55,000)	–	–	–	–	272,500	–	272,500
Lapse of share options	–	–	(3,830,170)	–	–	–	3,830,170	–	–	–
Released upon disposal of a subsidiary *(Note 34(d))*	–	–	–	–	–	–	–	–	(255,535)	(255,535)
At 30 June 2009	7,162,670	998,843,599	225,399,349	310,757	87,951,225	58,299,875	(343,139,025)	1,034,828,450	2,254,070	1,037,082,520
Loss for the period	–	–	–	–	–	–	(35,370,999)	(35,370,999)	(4,096,935)	(39,467,934)
Other comprehensive income for the period	–	–	–	–	1,175,569	–	–	1,175,569	2,744	1,178,313
Total comprehensive income for the period	–	–	–	–	1,175,569	–	(35,370,999)	(34,195,430)	(4,094,191)	(38,289,621)
Recognitions of equity-settled share-based payments	–	–	12,848,042	–	–	–	–	12,848,042	–	12,848,042
Shares issued on exercise of part of a share option	1,000	705,967	(597,067)	–	–	–	–	109,900	–	109,900
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	4,900,000	4,900,000
Transfer to profit or loss on disposal of a subsidiary	–	–	–	(292,038)	–	–	292,038	–	–	–
Released upon disposal of subsidiaries *(Note 34 (a))*	–	–	–	–	–	(11,108,399)	–	(11,108,399)	–	(11,108,399)
Transfer from accumulated losses	–	–	–	1,138,751	–	–	(1,138,751)	–	–	–
At 31 December 2009	7,163,670	999,549,566	237,650,324	1,157,470	89,126,794	47,191,476	(379,356,737)	1,002,482,563	3,059,879	1,005,542,442

Notes:

(a) In accordance with the statutory requirements in the PRC, subsidiaries of the Company registered in the PRC are required to transfer a certain percentage of their annual net income from retained profits to statutory reserve. The statutory reserve is not distributable.

(b) The contributed surplus of the Group represents (1) the difference between (a) the nominal value of the share capital and the existing balances on the share premium account of a subsidiary acquired pursuant to the Group reorganisation prior to the listing of the Company's Shares; and (b) the nominal value of the Shares issued by the Company and the release and waiver of the amount owed by the then holding company of the subsidiary to the Company in exchange thereof; (2) the release and waiver of the amount owed by the Company to its former immediate holding company; and (3) transfer from share premium account.

Consolidated Statement of Cash Flows

For the period ended 31 December 2009

	Notes	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
OPERATING ACTIVITIES			
(Loss)/profit before tax			
From continuing operations		**(51,655,279)**	(198,750,064)
From discontinued operation	10	**8,897,185**	(253,663)
Adjustments for:			
Share-based payments		**12,848,042**	123,090,447
Depreciation of property, plant and equipment		**3,742,180**	7,040,380
Amortisation of other intangible assets		**19,656,315**	39,270,108
Loss on disposal of property, plant and equipment		**38,241**	118,731
Impairment losses recognised on amounts due from customers for contract work		**1,539,009**	–
Impairment losses recognised on other receivables, deposits and prepayments		**148,136**	–
Net gains on disposals of subsidiaries		**(10,881,260)**	(201,982)
Bank interest income		**(1,327,959)**	(2,639,979)
Operating cash flows before movements in working capital		**(16,995,390)**	(32,326,022)
Decrease in deposits and prepayments		**4,892,499**	8,562,718
Decrease in inventories		**–**	132,756
(Increase)/decrease in trade receivables		**(7,930,050)**	1,830,874
Decrease in amounts due from customers for contract work		**–**	1,029,126
Increase in other receivables, deposits and prepayments		**(13,554,612)**	(13,553,936)
Decrease in trade payables		**(430,297)**	(2,095,732)
Increase in other payables, accruals and deposits received		**1,659,609**	3,211,749
Cash used in operations		**(32,358,241)**	(33,208,467)
Income taxes paid		**(2,540,021)**	(304,103)
NET CASH USED IN OPERATING ACTIVITIES		**(34,898,262)**	(33,512,570)

Consolidated Statement of Cash Flows

For the period ended 31 December 2009

	Notes	**Period ended 31 December 2009 HK$**	Year ended 30 June 2009 HK$
INVESTING ACTIVITIES			
Interest received		**1,327,959**	2,639,979
Purchase of other intangible assets		**(209,026)**	(493,333)
Purchase of other assets		**–**	(1,613,006)
Purchase of property, plant and equipment		**(391,720)**	(9,517,107)
Proceeds from disposal of property, plant and equipment		**45,228**	1,775,389
Net cash outflow on disposal of subsidiaries	34(a)	**(1,047,343)**	–
Decrease in pledged bank deposits		**181,217**	785,965
NET CASH USED IN INVESTING ACTIVITIES		**(93,685)**	(6,422,113)
FINANCING ACTIVITIES			
Proceeds from issue of Shares		**109,900**	272,500
Capital contributed from non-controlling interests		**4,900,000**	–
NET CASH GENERATED BY FINANCING ACTIVITIES		**5,009,900**	272,500
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(29,982,047)**	(39,662,183)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		**171,706,715**	211,656,479
EFFECT OF EXCHANGE RATE CHANGES		**(204,018)**	(287,581)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR		**141,520,650**	171,706,715
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		**141,520,650**	171,706,715

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its issued Shares have been listed on GEM.

At 31 December 2009, the Directors regard MAXPROFIT GLOBAL INC, a private limited company incorporated in the British Virgin Islands, as the immediate and ultimate holding company of the Company.

The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of this annual report.

The Company is an investment holding company and its principal subsidiaries are mainly engaged in provision of sports lottery management and marketing consultancy services, supply of sports lottery sales terminals (and accessories) and provision of lottery advisory service in the PRC. Details of the principal activities of such principal subsidiaries are set out in Note 35.

The consolidated financial statements are presented in Hong Kong dollars. The functional currency of the Company is Renminbi. As the Company is listed in Hong Kong, the Directors consider that it is appropriate to present the consolidated financial statements in Hong Kong dollars.

The Company announced on 10 December 2009 that the financial year end date of the Company was changed from 30 June to 31 December commencing from the financial year 2009. Accordingly, the financial statements for the current period cover the six-month period from 1 July 2009 to 31 December 2009. The corresponding amounts shown for the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and related notes cover the twelve-month period from 1 July 2008 to 30 June 2009 and therefore may not be comparable with the amounts shown for the current period.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current period, the Group has applied all of the new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2009.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009

Except as described below, the adoption of the new and revised HKFRSs has no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (revised in 2007) Presentation of Financial Statements

HKAS 1 (2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segments (see Note 8).

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements and liquidity risk. The Group has not presented comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (continued)

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[1]
HKAS 24 (Revised)	Related Party Disclosures[4]
HKAS 32 (Amendments)	Classification of Rights Issues[3]
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters[2]
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions[2]
HKFRS 9	Financial Instruments (relating to the classification and measurement of financial assets)[6]
HK (IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[4]
HK (IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

Notes:

1 Amendments that are effective for annual periods beginning on or after 1 January 2010
2 Effective for annual periods beginning on or after 1 January 2010
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 January 2011
5 Effective for annual periods beginning on or after 1 July 2010
6 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs (2009)*, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, leasees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might not affect the classification and measurement of the Group's leasehold land.

The Group is in the process of assessing the impact of other new and revised HKFRSs on the financial performance and financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the equity of the owners of the Company.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 July 2009, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries prior to 1 July 2009

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries *(continued)*

Changes in the Group's ownership interests in existing subsidiaries after 1 July 2009

Changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to accumulated losses at the date when control is lost). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Business combinations prior to 1 July 2009

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair values at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeded the cost of the business combination, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against goodwill.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Business combinations prior to 1 July 2009 *(continued)*

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

Business combinations on or after 1 July 2009

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 (2008) are recognised at their fair values, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with HKFRS 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Business combinations on or after 1 July 2009 *(continued)*

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

Goodwill

Goodwill arising on acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Investments in an associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter for the post-acquisition changes in the Group's share of net assets of the associates, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is not tested for impairment separately. Instead, the entire carrying amount of the investment is tested for impairment as a single asset. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment in the associate. Any reversal of impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the course of ordinary activities, net of discounts and sales related taxes.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from projects involving the provision of lottery advisory service and enterprise solutions are recognised when the outcome of the contract can be estimated reliably. The details of the revenue recognition are set out in the sub-section of "Construction contracts" as below.

Revenue from sports lottery management and marketing consultancy services is recognised when the services are rendered, the revenue can be reliably estimated and it is probable that the revenue will be received.

Revenue from the supply of sports lottery sales terminals (and accessories) is recognised when the sports lottery sales terminals (and accessories) are supplied to the customers.

Revenue from the sales of computer software products is recognised upon the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to the customers and title has passed.

Revenue from separately priced product maintenance contracts, which is received or receivable from customers, is deferred and amortised on a straight-line method over the contracted period.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their useful lives, using the straight-line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as an amount due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as an amount due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under amounts due from customers for contract work.

Leasing

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land for own use

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, interest in leasehold land is accounted for as operating leases and amortised over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in its respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the exchange rates prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income in the consolidated financial statements and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of the reporting period. Exchange differences arising are recognised in the foreign currency translation reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Payments to defined contribution retirement benefit schemes (Mandatory Provident Fund scheme and state-managed retirement benefit schemes) are charged as expenses when employees have rendered services entitling them to the contributions.

Share-based payment transactions

Share options granted to Directors, eligible employees and other eligible participants in an equity-settled share-based payment transaction

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Share options granted to a consultant in an equity-settled share-based payment transaction

Share options granted in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of the goods or services received are recognised as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share options reserve).

Taxation

Income tax represents the sum of tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other periods and that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets other than goodwill below).

Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially measured at their fair value at the acquisition date (which is regarded as their cost).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination *(continued)*

Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

Software licences

Expenditure on acquisition of software licences is measured initially at cost and amortised on a straight-line method over their estimated useful lives or licensing period, whichever is shorter.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is indication that they may be impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

Inventories

Inventories, including any materials for the construction contracts, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets comprise those classified as loans and receivables. The accounting policy adopted is set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

***Financial assets** (continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, amounts due from customers for contract work, other receivables, pledged bank deposits and bank balances) are measured at amortised cost using the effective interest method, less any impairment (see the accounting policy in respect of impairment loss on financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial assets at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Financial liabilities

Financial liabilities (including trade payables and other payables, accruals and deposits received) are subsequently measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when a financial asset is transferred, the Group has transferred substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revisions affect only that period, or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculations require the Group to estimate the future cash flows expected to arise from the cash-generating units and suitable discount rates in order to calculate the present values. Where the actual future cash flows are less than expected, a material impairment loss may arise. At 31 December 2009, the carrying amount of goodwill is HK$663,365,373 (at 30 June 2009: HK$662,199,119). Details of the recoverable amount calculation are disclosed in Note 17.

Impairment of intangible assets acquired in business combinations

At the end of the reporting period, management reconsidered the recoverability of the intangible assets arising from the acquisitions of subsidiaries, in which the carrying amount at 31 December 2009 is HK$96,072,050 (at 30 June 2009: HK$115,532,669). The businesses of the related subsidiaries continue to progress in a satisfactory manner. Sensitivity analysis has been carried out by management and no impairment is considered necessary at 31 December 2009. Adjustment will be made in future periods if future market activities indicate that adjustments for impairment are appropriate.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior period.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The Directors review the capital structure regularly. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buybacks as well as the issue of new debt.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Notes	**At 31 December 2009 HK$**	At 30 June 2009 HK$
Financial assets			
Loans and receivables			
Trade receivables	21	**17,452,520**	9,592,417
Amounts due from customers for contract work	22	–	1,539,009
Financial assets included in other receivables, deposits and prepayments	23	**36,934,578**	24,353,603
Pledged bank deposits	24	–	501,217
Bank balances and cash	24	**141,520,650**	171,706,715
		195,907,748	207,692,961
Financial liabilities			
Financial liabilities at amortised cost			
Trade payables	25	–	779,388
Financial liabilities included in other payables, accruals and deposits received	26	**5,397,644**	5,358,140
		5,397,644	6,137,528

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, other receivables, bank balances, pledged bank deposits, trade payables and other payables. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

Currency risk

Transactional currency exposures arise from revenue or cost of sales and services by operating units in currencies other than the units' functional currency. Substantially all the Group's revenue and cost of sales and services are denominated in the functional currency of the operating units making the revenue, and substantially all the cost of sales and services are denominated in the units' functional currency. Accordingly, the Directors consider that the Group is not exposed to significant currency risk.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate bank balances. The Group has not used any interest rate swaps in order to mitigate its exposure associated with fluctuations relating to interest cash flows. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Price risk

As the Group has no significant investments in financial instruments at fair values, the Group is not exposed to significant price risk.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at 31 December 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

At the end of the reporting period, the Group has certain concentrations of credit risk as 83% (at 30 June 2009: 68%) and 99% (at 30 June 2009: 97%) of the Group's trade receivables were due from the Group's largest customer and the five largest customers, respectively.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 21.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay and includes both interest and principal cash flows.

	On demand or within 1 year HK$	More than 1 year but less than 5 years HK$	Total undiscounted cash flows HK$	Carrying amounts HK$
At 31 December 2009				
Non-derivative financial liabilities				
Other payables, accruals and deposits received	**5,397,644**	**–**	**5,397,644**	**5,397,644**
At 30 June 2009				
Non-derivative financial liabilities				
Trade payables	779,388	–	779,388	779,388
Other payables, accruals and deposits received	5,358,140	–	5,358,140	5,358,140

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid and ask prices respectively.

- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models (e.g. discounted cash flow analysis using observable and/or unobservable inputs).

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

7. REVENUE

Revenue represents the amounts received and receivable from provision of sports lottery management and marketing consultancy services, supply of sports lottery sales terminals (and accessories) and provision of lottery advisory service in the PRC for the period/year, and is analysed as follows:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)
Revenue in respect of provision of management and marketing consultancy services to SLACs and authorised operators of the sports lottery, as well as supply of sports lottery sales terminals (and accessories) to the SLACs for certain municipality and provinces in the PRC	**33,822,293**	58,876,266
Revenue in respect of provision of lottery advisory service	**–**	112,229
	33,822,293	58,988,495

8. SEGMENT INFORMATION

Application of HKFRS 8 *Operating Segments*

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") for the purposes of allocating resources to segments and assessing their performance. In contrast, the predecessor standard HKAS 14 *Segment Reporting* required an entity to identify two sets of segments, business and geographical, using a risks and returns approach. The Directors consider that the adoption of HKFRS 8 has not resulted in a redesignation of the reportable segments for the Group compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

Under HKFRS 8, reported segment information is based on internal management reporting information that is regularly reviewed by the Directors, being the CODM of the Group. The measurement policies the Group used for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements. The Directors assess segment profit or loss using a measure of operating profit whereby certain items, central administration costs, share-based payments, bank interest income and income tax are not included in arriving at the segment results of operating segments.

8. SEGMENT INFORMATION (continued)

Application of HKFRS 8 *Operating Segments* (continued)

The Group's operating segments under HKFRS 8 are as follows:

- Sports lottery management and marketing consultancy services and supply of sports lottery sales terminals (and accessories) – provision of management and marketing consultancy services to SLACs and authorised operators of sports lottery, as well as supply of sports lottery sales terminals (and accessories) to the SLACs for certain municipality and provinces in the PRC ("Consultancy services").

- Lottery information technology solutions – provision of lottery advisory service to authorised operator of lottery in the PRC ("Information technology solutions").

An operation (Enterprise solutions – provision of information technology management solutions which include design and installation of digital image processing system, sales of computer software products and related maintenance services ("Enterprise solutions")) discontinued in the current period was reported as separate business segment under HKAS 14. The segment information reported below does not include any amounts for this discontinued operation, which is described in more detail in Note 10 below.

Information regarding the Group's reportable segments is presented below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Segment revenue		Segment loss	
	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)	**Period ended 31 December 2009 HK$**	Year ended 30 June 2009 HK$
Consultancy services	**33,822,293**	58,876,266	**(20,358,781)**	(49,201,564)
Information technology solutions	**–**	112,229	**(3,213,893)**	(2,715,759)
Total for continuing operations	**33,822,293**	58,988,495	**(23,572,674)**	(51,917,323)
Bank interest income			**1,327,959**	2,632,778
Share-based payments			**(12,848,042)**	(123,090,447)
Central administration costs			**(16,562,522)**	(26,375,072)
Loss before tax (continuing operations)			**(51,655,279)**	(198,750,064)

8. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Revenue reported above represents revenue generated from customers. There were no inter-segment sales for the period ended 31 December 2009 (for the year ended 30 June 2009: nil).

Segment loss represents the loss generated by each segment without allocation of central administration costs, share-based payments, bank interest income and income tax. This is the measure reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

	At 31 December 2009 HK$	At 30 June 2009 HK$
Segment assets		
Consultancy services	**937,244,997**	948,665,797
Information technology solutions	**14,269,259**	17,436,747
Total segment assets	**951,514,256**	966,102,544
Assets relating to Enterprise solutions (now discontinued)	**–**	4,243,127
Unallocated corporate assets	**84,494,152**	103,548,930
Consolidated assets	**1,036,008,408**	1,073,894,601
Segment liabilities		
Consultancy services	**4,711,476**	4,605,044
Information technology solutions	**142,854**	160,856
Total segment liabilities	**4,854,330**	4,765,900
Liabilities relating to Enterprise solutions (now discontinued)	**–**	1,797,565
Unallocated corporate liabilities	**25,611,636**	30,248,616
Consolidated liabilities	**30,465,966**	36,812,081

8. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets other than unallocated corporate assets are allocated to reportable segments. Goodwill is allocated to reportable segments as described in Note 17; and

- all liabilities other than unallocated corporate liabilities, current and deferred tax liabilities are allocated to reportable segments.

Other segment information

	Depreciation of property, plant and equipment		Amortisation of other intangible assets		Additions to non-current assets	
	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$	**Period ended 31 December 2009 HK$**	Year ended 30 June 2009 HK$	**Period ended 31 December 2009 HK$**	Year ended 30 June 2009 HK$
Consultancy services	**3,115,472**	5,458,973	**19,093,653**	38,146,002	**372,071**	18,056,923
Information technology solutions	**368,913**	951,698	**562,662**	1,124,106	**209,026**	493,333
	3,484,385	6,410,671	**19,656,315**	39,270,108	**581,097**	18,550,256
Unallocated	**237,951**	563,096	**–**	–	**10,000**	86,668
	3,722,336	6,973,767	**19,656,315**	39,270,108	**591,097**	18,636,924

Revenue from major services

The Group's revenue from continuing operations from its major services is as follows:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)
Consultancy services	**33,822,293**	58,876,266
Information technology solutions	**–**	112,229
	33,822,293	58,988,495

8. SEGMENT INFORMATION (continued)

Geographical information

The Group's operations are located in the PRC.

The Group's revenue from continuing operations from external customers and information about its non-current assets* by geographical locations are detailed below:

	Revenue from external customers		Non-current assets*	
	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)	**At 31 December 2009 HK$**	At 30 June 2009 HK$
PRC	**33,822,293**	58,988,495	**818,257,027**	841,089,017
Hong Kong	**–**	–	**10,063,932**	13,584,857
	33,822,293	58,988,495	**828,320,959**	854,673,874

* *Non-current assets excluding those relating to Enterprise solutions operation.*

Information about major customers

Revenue from customers of corresponding periods contributing over 10% of total revenue of the Group is as follows:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Customer A	**24,806,385**	36,630,863
Customer B	**3,448,922**	–
Customer C	**–**	6,285,900
	28,255,307	42,916,763

9. INCOME TAX (FROM CONTINUING OPERATIONS)

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)
Current tax:		
– PRC Enterprise Income Tax	**1,196,080**	2,245,640
Under/(over) provision of current tax in previous year:		
– PRC Enterprise Income Tax	**427,839**	(338,759)
Deferred tax *(Note 27)*:		
– Current period/year	**(4,914,079)**	(9,817,527)
Total income tax recognised in profit or loss	**(3,290,160)**	(7,910,646)

No provision for Hong Kong profits tax has been made as there were no assessable profits for the year ended 30 June 2009 and for the period ended 31 December 2009.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profit tax rate from 17.5% to 16.5%, which is effective from the year of assessment 2008/2009. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both current and prior periods.

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% for both current and prior periods. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

9. INCOME TAX (FROM CONTINUING OPERATIONS) (continued)

Income tax for the period/year can be reconciled to loss before tax per the consolidated statement of comprehensive income as follows:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)
Loss before tax (from continuing operations)	**(51,655,279)**	(198,750,064)
Tax at domestic income tax rate *(Note)*	**(10,091,270)**	(36,953,403)
Tax effect of expenses not deductible for tax purpose	**5,954,594**	32,172,612
Tax effect of income not taxable for tax purpose	**(260,790)**	(1,611,962)
Utilisation of previously unrecognised tax losses	**–**	(176,278)
Tax effect of unrecognised estimated tax losses	**5,593,546**	8,814,671
Under/(over) provision in previous year	**427,839**	(338,759)
Reversal of temporary differences	**(4,914,079)**	(9,817,527)
	(3,290,160)	(7,910,646)

Note: The applicable tax rates for Macao, the PRC and Hong Kong are 12%, 25% and 16.5% (for the year ended 30 June 2009: 12%, 25% and 16.5%) respectively.

10. DISCONTINUED OPERATION

Disposal of Enterprise solutions operation

On 19 November 2009, the Company entered into a sale agreement to dispose of MegaInfo Limited and its subsidiaries (the "MegaInfo Group"), which carried out all of the Group's Enterprise solutions operation. The disposal of the Enterprise solutions operation is consistent with the Group's long-term policy to focus its activities on Consultancy services operation and Information technology solutions operation. The disposal was completed on 19 November 2009, on which date control of the Enterprise solutions operation passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in Note 34.

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Profit/(loss) for the period/year from discontinued operation		
Revenue	**340,447**	2,633,483
Cost of sales and services	**(71,813)**	(1,774,342)
Bank interest income	**605**	7,201
Other income	**34,810**	1,308,930
Selling and administrative expenses	**(2,296,063)**	(2,428,171)
Net foreign exchange loss	**(441)**	(764)
Loss before tax	**(1,992,455)**	(253,663)
Attributable income tax	**–**	(8,762)
	(1,992,455)	(262,425)
Gain on disposal of discontinued operation (including HK$17,200 and HK$11,108,399 released from exchange reserve and contributed surplus respectively from equity to profit or loss on disposal of discontinued operation *(Note 34(a))*)	**10,889,640**	–
Profit/(loss) for the period/year from discontinued operation (attributable to owners of the Company)	**8,897,185**	(262,425)

10. DISCONTINUED OPERATION (continued)

Disposal of Enterprise solutions operation (continued)

Profit/(loss) for the period/year from discontinued operation has been arrived at after charging:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Auditors' remuneration	–	–
Cost of inventories recognised as expenses	–	8,236
Depreciation of property, plant and equipment	19,844	66,613
Impairment losses recognised on amounts due from customers for contract work	1,539,009	–
Impairment losses recognised on other receivables, deposits and prepayments	148,136	–
Operating lease rentals in respect of rented premises	52,656	192,140
Fees, salaries, discretionary bonuses and other benefits	336,702	1,356,807
Social security costs	8,392	26,088
	345,094	1,382,895
Cash flows from discontinued operation		
Net cash inflows/(outflows) from operating activities	6,073	(224,162)
Net cash inflows from investing activities	178,769	779,993
Net cash inflows	184,842	555,831

11. LOSS FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS

Loss for the period/year from continuing operations is attributable to:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Owners of the Company	**(44,268,184)**	(189,237,306)
Non-controlling interests	**(4,096,935)**	(1,602,112)
	(48,365,119)	(190,839,418)

Loss for the period/year from continuing operations has been arrived at after charging/(crediting):

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$ (As restated)
Auditors' remuneration	**500,000**	750,000
Depreciation of property, plant and equipment	**3,722,336**	6,973,767
Net losses on disposals of property, plant and equipment	**38,241**	118,731
Net losses/(gains) on disposals of subsidiaries *(Note 34 (b), (c) and (d))*	**8,380**	(201,982)
Operating lease rentals in respect of rented premises	**2,347,523**	4,458,211
Employee benefit expense, including Directors' remunerations *(Note 12)*:		
Fees, salaries, discretionary bonuses and other benefits	**12,768,115**	29,324,349
Share-based payments	**5,955,742**	58,376,552
Social security costs	**1,246,622**	1,545,188
Retirement benefit schemes contributions	**59,054**	122,569
	20,029,533	89,368,658

12. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the eight Directors (for the year ended 30 June 2009: eight) were as follows:

For the period ended 31 December 2009

	Fees	Salaries and other benefits	Share-based payments	Contributions to retirement benefit schemes	Total emoluments
	HK$	HK$	HK$	HK$	HK$
Executive Directors:					
Mr. Sun Ho	1,800,000	150,000	–	6,000	1,956,000
Mr. Robert Geoffrey Ryan	1,046,766	51,228	901,631	–	1,999,625
Mr. Bai Jinmin	600,000	–	1,283,577	6,000	1,889,577
Mr. Liang Yu	608,229	20,946	880,687	13,646	1,523,508
Non-executive Director:					
Ms. Yang Yang	100,000	–	88,069	–	188,069
Independent non-executive Directors:					
Mr. Wang Ronghua	50,000	–	–	–	50,000
Mr. Hua Fengmao	50,000	–	–	–	50,000
Mr. Kwok Wing Leung Andy	50,000	–	–	–	50,000
Total emoluments	4,304,995	222,174	3,153,964	25,646	7,706,779

12. DIRECTORS' EMOLUMENTS (continued)

For the year ended 30 June 2009

	Fees HK$	Salaries and other benefits HK$	Share-based payments HK$	Contributions to retirement benefit schemes HK$	Total emoluments HK$
Executive Directors:					
Mr. Sun Ho	3,600,000	450,000	–	12,000	4,062,000
Mr. Robert Geoffrey Ryan	2,093,532	225,690	9,675,917	–	11,995,139
Mr. Bai Jinmin	1,200,000	–	12,120,673	5,000	13,325,673
Mr. Liang Yu	1,218,707	29,223	8,149,284	27,193	9,424,407
Non-executive Director:					
Ms. Yang Yang	200,000	–	814,928	–	1,014,928
Independent non-executive Directors:					
Mr. Wang Ronghua	100,000	–	–	–	100,000
Mr. Hua Fengmao	100,000	–	–	–	100,000
Mr. Kwok Wing Leung Andy	100,000	–	–	–	100,000
Total emoluments	8,612,239	704,913	30,760,802	44,193	40,122,147

During the period, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any emoluments during the period.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (for the year ended 30 June 2009: four) were Directors whose emoluments are included in Note 12 above. The emoluments of the remaining one (for the year ended 30 June 2009: one) highest paid individual were as follows:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Salaries and other benefits	**286,384**	349,182
Discretionary bonus	**–**	2,289,200
Share-based payments	**901,631**	5,917,919
	1,188,015	8,556,301

Their emoluments were within the following bands:

	Period ended 31 December 2009 Number of employees	Year ended 30 June 2009 Number of employees
HK$1,000,001 to HK$1,500,000	**1**	–
HK$8,500,001 to HK$9,000,000	**–**	1
	1	1

During the period, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

14. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic and diluted loss per Share is based on the loss attributable to owners of the Company from continuing and discontinued operations for the period ended 31 December 2009 of HK$35,370,999 (for the year ended 30 June 2009: HK$189,499,731) and the weighted average number of 3,581,563,261 Shares (for the year ended 30 June 2009: 3,580,211,712 Shares) in issued during the current and prior periods.

The computation of the diluted loss per Share does not assume the exercises of the Company's share options as their exercises would decrease the loss per Share of both current and prior periods.

From continuing operations

The calculation of the basic and diluted loss per Share attributable to owners of the Company from continuing operations is based on the following data:

Loss figures are calculated as follows:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Loss for the period/year attributable to owners of the Company from continuing and discontinued operations	**(35,370,999)**	(189,499,731)
Less:		
Profit/(loss) for the period/year from discontinued operation *(Note 10)*	**8,897,185**	(262,425)
Loss for the purpose of calculating basic/diluted loss per Share from continuing operations	**(44,268,184)**	(189,237,306)

The denominators used are the same as those detailed above for both basic and diluted loss per Share.

The computation of the diluted loss per Share does not assume the exercises of the Company's share options as their exercises would decrease the loss per Share of both current and prior periods.

14. LOSS PER SHARE (continued)

From discontinued operation

The calculation of the basic and diluted earnings/(loss) per Share attributable to owners of the Company from discontinued operation is based on the following data:

	Period ended 19 November 2009	Year ended 30 June 2009
Number of Shares		
Weighted average number of ordinary Shares for the purpose of calculating basic earnings/(loss) per Share	**3,581,482,887**	3,580,211,712
Effect of dilutive potential ordinary Shares:		
Share options	**77,490,621**	–
Weighted average number of ordinary Shares for the purpose of calculating diluted earnings/(loss) per Share	**3,658,973,508**	3,580,211,712

Basic earnings per Share for the period from discontinued operation is HK0.25 cent per Share (basic loss per Share for the year ended 30 June 2009: HK0.007 cent per Share) and diluted earnings per Share for the period from discontinued operation is HK0.24 cent per Share (diluted loss per Share for the year ended 30 June 2009: HK0.007 cent per Share), based on the profit for the period from discontinued operation of HK$8,897,185 (loss for the year ended 30 June 2009: HK$262,425) and the denominators detailed above for both basic and diluted earnings/(loss) per Share.

The computation of the diluted loss per Share for the year ended 30 June 2009 does not assume the exercises of the Company's share options as their exercises would decrease the loss per Share.

15. PROPERTY, PLANT AND EQUIPMENT

	Building HK$	Sports lottery sales terminals HK$	Leasehold improvements HK$	Computer equipment HK$	Furniture, fixtures and equipment HK$	Motor vehicles HK$	Total HK$
COST							
At 1 July 2008	839,962	7,573,685	3,345,775	3,537,385	1,753,637	5,869,202	22,919,646
Additions	–	10,687,132	528,324	842,920	589,491	3,895,891	16,543,758
Disposals	–	–	–	(169,041)	(104,695)	(2,413,228)	(2,686,964)
Effect of foreign currency exchange differences	(2,434)	(21,945)	(3,789)	(7,335)	(2,677)	(10,991)	(49,171)
At 30 June 2009	837,528	18,238,872	3,870,310	4,203,929	2,235,756	7,340,874	36,727,269
Additions	–	–	166,024	136,645	89,051	–	391,720
Disposals	–	(18,194)	–	(16,477)	(67,447)	(6,527)	(108,645)
Derecognised on disposal of subsidiaries	–	–	(1,549,650)	(845,243)	(106,190)	–	(2,501,083)
Effect of foreign currency exchange differences	1,474	32,115	3,291	6,450	2,615	9,854	55,799
At 31 December 2009	839,002	18,252,793	2,489,975	3,485,304	2,153,785	7,344,201	34,565,060
DEPRECIATION							
At 1 July 2008	–	292,982	2,011,562	1,414,259	676,761	979,252	5,374,816
Depreciation expense	41,888	3,241,208	704,175	1,150,232	487,441	1,415,436	7,040,380
Eliminated on disposals of assets	–	–	–	(49,153)	(37,780)	(705,911)	(792,844)
Effect of foreign currency exchange differences	(12)	(1,762)	(1,465)	(1,836)	(360)	(2,443)	(7,878)
At 30 June 2009	41,876	3,532,428	2,714,272	2,513,502	1,126,062	1,686,334	11,614,474
Depreciation expense	20,967	1,826,171	344,359	521,659	241,602	787,422	3,742,180
Eliminated on disposals of assets	–	(5,458)	–	(9,146)	(10,572)	–	(25,176)
Eliminated on disposal of subsidiaries	–	–	(1,538,898)	(803,166)	(104,182)	–	(2,446,246)
Effect of foreign currency exchange differences	82	6,942	1,371	2,408	865	2,430	14,098
At 31 December 2009	62,925	5,360,083	1,521,104	2,225,257	1,253,775	2,476,186	12,899,330
CARRYING AMOUNTS							
At 31 December 2009	776,077	12,892,710	968,871	1,260,047	900,010	4,868,015	21,665,730
At 30 June 2009	795,652	14,706,444	1,156,038	1,690,427	1,109,694	5,654,540	25,112,795

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line method at the following rates per annum:

Building	:	5%
Sports lottery sales terminals	:	20%
Leasehold improvements	:	20% or over the relevant lease terms, whichever is shorter
Computer equipment	:	$33\frac{1}{3}$% – 50%
Furniture, fixtures and equipment	:	20% – $33\frac{1}{3}$%
Motor vehicles	:	10% – 25%

16. GOODWILL

	HK$
COST	
At 1 July 2008	664,123,438
Effect of foreign currency exchange differences	(1,924,319)
At 30 June 2009	662,199,119
Effect of foreign currency exchange differences	1,166,254
At 31 December 2009	663,365,373
CARRYING AMOUNTS	
At 31 December 2009	663,365,373
At 30 June 2009	662,199,119

Particulars regarding impairment testing on goodwill are disclosed in Note 17.

17. IMPAIRMENT TESTING ON GOODWILL

Goodwill has been allocated for impairment testing purpose to the following cash-generating unit(s) ("CGU(s)"):

- Information technology solutions
- Consultancy services

The carrying amounts of goodwill were allocated to the CGUs as follows:

	At 31 December 2009 HK$	At 30 June 2009 HK$
Information technology solutions	**2,912,179**	2,907,059
Consultancy services	**660,453,194**	659,292,060
	663,365,373	662,199,119

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Information technology solutions

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a 5-year period and a discount rate of 15.52% per annum. The key assumptions for the value in use calculation are those regarding the discount rate, growth in revenue and direct costs during the period. The management estimates discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

Consultancy services

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a 5-year period and a discount rate of 15.52% per annum. The key assumptions for the value in use calculation are those regarding the discount rate, growth in revenue and direct costs during the period. The management estimates discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU. In performing the impairment testing, the Directors have made reference to a valuation performed by an independent valuer.

During the year ended 30 June 2009 and the period ended 31 December 2009, management of the Group determined that there were no impairments of goodwill.

18. OTHER INTANGIBLE ASSETS

	Club membership HK$	Capitalised development costs HK$	Software licences HK$	Non-competition agreements HK$	Contracted Customer HK$	Total HK$
COST						
At 1 July 2008	1,741,936	1,876,366	11,467,290	5,635,277	191,230,421	211,951,290
Additions	–	493,333	–	–	–	493,333
Effect of foreign currency exchange differences	–	(5,576)	–	(16,328)	(554,096)	(576,000)
At 30 June 2009	1,741,936	2,364,123	11,467,290	5,618,949	190,676,325	211,868,623
Additions	–	209,026	–	–	–	209,026
Derecognised on disposal of subsidiaries	–	–	(11,467,290)	–	–	(11,467,290)
Effect of foreign currency exchange differences	–	4,162	–	9,896	335,816	349,874
At 31 December 2009	1,741,936	2,577,311	–	5,628,845	191,012,141	200,960,233
AMORTISATION AND IMPAIRMENT						
At 1 July 2008	–	–	11,467,290	1,784,505	39,839,661	53,091,456
Amortisation expense	–	–	–	1,124,106	38,146,002	39,270,108
Effect of foreign currency exchange differences	–	–	–	(5,487)	(126,182)	(131,669)
At 30 June 2009	–	–	11,467,290	2,903,124	77,859,481	92,229,895
Amortisation expense	–	–	–	562,662	19,093,653	19,656,315
Eliminated on disposal of subsidiaries	–	–	(11,467,290)	–	–	(11,467,290)
Effect of foreign currency exchange differences	–	–	–	5,335	144,681	150,016
At 31 December 2009	–	–	–	3,471,121	97,097,815	100,568,936
CARRYING AMOUNTS						
At 31 December 2009	1,741,936	2,577,311	–	2,157,724	93,914,326	100,391,297
At 30 June 2009	1,741,936	2,364,123	–	2,715,825	112,816,844	119,638,728

18. OTHER INTANGIBLE ASSETS (continued)

The Directors consider that the club membership has indefinite useful life and is worth at least at its carrying amount by reference to the latest market prices.

The amount of the capitalised development costs represents the expenditure capitalised for development of certain sports lottery products, which have not yet been put to use.

The amount of the software licences represents the expenditure on acquisition which is amortised on a straight-line method over the estimated useful life of 10 years, or the licensing period of 1 year, whichever is shorter.

The amount of the non-competition agreements represents the fair value of the non-competition clause embedded in the employment contracts between top management and SYSTEK LTD and its subsidiary ("Systek Group") upon the acquisition of Systek Group by the Group. The amount is amortised on a straight-line method over the estimated useful life of 5 years.

The amount of the contracted customer represents the fair value of the contractual rights stated in the consultancy agreements with a principal customer of SHINING CHINA INC and its subsidiaries ("Shining China Group") for providing consultancy services upon the acquisition of Shining China Group by the Group (the "Contracted Customer"). The amount is amortised on a straight-line method over the period of 4 to 6 years in accordance with the terms of the consultancy agreements.

19. INVESTMENT IN AN ASSOCIATE

	At 31 December 2009 HK$	At 30 June 2009 HK$
Cost of investment in an associate (unlisted)	**14,272**	14,272
Derecognised on disposal of subsidiaries *(Note 34 (a))*	**(14,272)**	–
	–	14,272
Impairment loss recognised	**(14,272)**	(14,272)
Eliminated on disposal of subsidiaries *(Note 34 (a))*	**14,272**	–
	–	(14,272)
	–	–

20. INVENTORIES

	At 31 December 2009 HK$	At 30 June 2009 HK$
Networking and image processing equipment	–	114,958

21. TRADE RECEIVABLES

	At 31 December 2009 HK$	At 30 June 2009 HK$
Trade receivables	**17,452,520**	10,124,707
Less: Allowance for doubtful debts	–	(532,290)
	17,452,520	9,592,417

The following is an analysis of trade receivables by age, presented based on the terms of the related contracts, net of allowance for doubtful debts:

	At 31 December 2009 HK$	At 30 June 2009 HK$
0 to 30 days	**9,753,691**	6,275,630
31 to 60 days	**925,656**	908,064
61 to 90 days	**866,460**	786,989
91 to 120 days	**779,072**	901,859
121 to 365 days	**5,127,641**	665,924
Over 365 days	–	53,951
	17,452,520	9,592,417

The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. No interest is charged on trade receivables.

At 31 December 2009, 0.01% (at 30 June 2009: 35%) of the trade receivables are past due but not impaired. Of the trade receivables balance at the end of the period, approximately HK$14,410,000 (at 30 June 2009: approximately HK$6,551,000) is due from the Group's largest customer.

21. TRADE RECEIVABLES (continued)

Receivables that are past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offsetting against any amounts owed by the Group to the counterparties.

Ageing of past due but not impaired

	At 31 December 2009 HK$	At 30 June 2009 HK$
0 to 30 days	**476**	908,064
31 to 60 days	**577**	786,989
61 to 90 days	**836**	901,859
91 to 120 days	**–**	379,781
121 to 365 days	**–**	307,787
Over 365 days	**–**	32,307
Total	**1,889**	3,316,787
Average age *(days)*	**51**	74

Movement in the allowance for doubtful debts

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Balance at beginning of the period/year	**532,290**	532,290
Amounts written off during the period/year as uncollectible	**(532,290)**	–
Balance at end of the period/year	**–**	532,290

There was no provision for impairment losses in respect of trade receivables from customers at 31 December 2009 (at 30 June 2009: nil). The Group does not hold any collateral over these balances.

21. TRADE RECEIVABLES (continued)

Ageing of impaired trade receivables

	At 31 December 2009 HK$	At 30 June 2009 HK$
Over 365 days	–	532,290

22. AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	At 31 December 2009 HK$	At 30 June 2009 HK$
Contracts in progress at the end of the reporting period:		
Contracts costs incurred plus recognised profits less recognised losses	**15,198,321**	15,198,321
Less: progress billings	**(13,659,312)**	(13,659,312)
	1,539,009	1,539,009
Impairment losses recognised	**(1,539,009)**	–
	–	1,539,009
Represented by:		
Due from customers included in current assets	–	1,539,009

At 31 December 2009, there were no retentions held by customers for contract work. Advances received from customers for contract work amounted to nil (at 30 June 2009: HK$50,814).

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December 2009 HK$	At 30 June 2009 HK$
Deposits paid to suppliers	**1,565,152**	1,332,554
Prepayments	**53,062,868**	57,523,488
Rental, utility and guarantee deposits	**5,238,486**	4,997,422
Other receivables	**30,130,940**	18,023,627
	89,997,446	81,877,091
Less: Deposits and prepayments classified as non-current assets	**(41,283,167)**	(46,175,666)
	48,714,279	35,701,425

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables on which there was no recent history of default.

24. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits carrying effective interest at 0.001% – 6.0% per annum (at 30 June 2009: 0.1% – 9.3% per annum) with an original maturity of three months or less.

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. No deposits have been pledged at the reporting period to secure undrawn facilities (at 30 June 2009: HK$501,217).

At 31 December 2009, the bank balances and cash of approximately HK$70,286,000 (at 30 June 2009: approximately HK$81,636,000) were denominated in RMB which is not freely convertible into other currencies.

25. TRADE PAYABLES

The following is an analysis of trade payables by age based on the invoice date:

	At 31 December 2009 HK$	At 30 June 2009 HK$
0 to 30 days	–	260,421
31 to 60 days	–	97,087
61 to 90 days	–	105,084
121 to 365 days	–	287
Over 365 days	–	316,509
	–	779,388

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

26. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	At 31 December 2009 HK$	At 30 June 2009 HK$
Deposits received from customers for contracts	–	50,814
Accrued charges	**1,314,751**	2,304,476
Other payables	**4,842,715**	3,592,736
	6,157,466	5,948,026

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Other payables are non-interest-bearing.

27. DEFERRED TAXATION

The following are the deferred tax liabilities related to intangible assets recognised and movements thereon during the current and prior periods:

	HK$
At 1 July 2008	38,810,384
Effect of foreign currency exchange differences	(109,691)
Credit to profit or loss *(Note 9)*	(9,817,527)
At 30 June 2009	28,883,166
Effect of foreign currency exchange differences	48,924
Credit to profit or loss *(Note 9)*	(4,914,079)
At 31 December 2009	24,018,011

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$119,251,000 (at 30 June 2009: approximately HK$66,212,000) available for offsetting against the future taxable profits of the companies in which the losses arose. No deferred tax asset has been recognised in respect of such estimated tax losses due to unpredictability of future profit streams. Included in unrecognised estimated unused tax losses are losses of approximately HK$28,592,000 (at 30 June 2009: approximately HK$11,898,000) that will expire within 5 years. Other estimated unused tax losses of approximately HK$90,659,000 (at 30 June 2009: approximately HK$54,314,000) may be carried forward indefinitely.

28. SHARE CAPITAL

	Number of Shares	Amount
		HK$
Authorised:		
Ordinary shares of HK$0.002 each at 30 June 2009 and 31 December 2009	5,000,000,000	10,000,000
Issued and fully paid:		
Ordinary shares of HK$0.002 each at 1 July 2008	3,580,085,000	7,160,170
Exercise of part of a share option *(Note (a))*	1,250,000	2,500
Ordinary shares of HK$0.002 each at 30 June 2009	3,581,335,000	7,162,670
Exercise of part of a share option *(Note (b))*	500,000	1,000
Ordinary shares of HK$0.002 each at 31 December 2009	3,581,835,000	7,163,670

Notes:

(a) During the year ended 30 June 2009, part of an option for 1,250,000 shares of HK$0.002 each was exercised at the exercise price of HK$0.218 per share, resulting in the issue of 1,250,000 shares of HK$0.002 each.

(b) During the period ended 31 December 2009, part of an option for 500,000 shares of HK$0.002 each was exercised at the exercise price of HK$0.2198 per share, resulting in the issue of 500,000 shares of HK$0.002 each.

These Shares rank pari passu in all respects with other Shares in issue.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

29. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	At 31 December 2009 HK$	At 30 June 2009 HK$
Within one year	**5,683,935**	5,102,950
In the second to fifth years inclusive	**2,248,653**	4,134,337
	7,932,588	9,237,287

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for terms of one to three years and rentals are fixed over the lease periods.

30. CAPITAL COMMITMENTS

	At 31 December 2009 HK$	At 30 June 2009 HK$
Contracted but not provided for:		
Research and development expenditures	**1,241,861**	–

31. RETIREMENT BENEFIT SCHEMES

The Group participates in employee social security plans as required by the regulations in the PRC and Macao. The Group also participates in the Mandatory Provident Fund scheme to which all qualified employees of the Group in Hong Kong are entitled. The assets of the retirement benefit schemes are held, separately from those of the Group, in funds under the control of the trustees. The employees of the subsidiaries in the PRC are members of social security schemes operated by the relevant local government authorities. The pension plans are funded by payments from employees and by the relevant group companies. The amounts charged to the consolidated statement of comprehensive income represent contributions payable by the Group at the specified rates according to the respective plans. The only obligation of the Group in respect of the retirement benefit schemes is to make the specified contributions.

32. SHARE-BASED PAYMENT TRANSACTIONS

The Share Option Scheme was adopted pursuant to a resolution passed on 18 November 2004 for the primary purpose of providing incentives to Directors and eligible participants (as defined in the Share Option Scheme), and will be expired 10 years commencing on the adoption of the Share Option Scheme. Under the Share Option Scheme, the Board may at its discretion grant options to eligible employees, including directors of the Company and its subsidiaries, certain consultants, suppliers or customers of the Group who, in the sole discretion of the Board, have contributed or will contribute or can contribute to the Group, to subscribe for Shares in the Company from time to time. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes shall not exceed 10% of the Shares in issue at the date of approval of the Share Option Scheme, without prior approval from the Shareholders. The number of Shares in respect of which options may be granted under the Share Option Scheme to any individual in any one year is not permitted to exceed 1% of the Shares in issue at the date of approval of the Share Option Scheme, without prior approval from the Shareholders.

Options granted to a Director, the chief executive or substantial Shareholder of the Company or any of their associates (as defined in the GEM Listing Rules) require the approval of independent non-executive Directors (excluding an independent non-executive Director who is the prospective grantee in question). Options granted to substantial Shareholders or independent non-executive Directors or their respective associates in excess of 0.1% of the Company's share capital and with a value in excess of HK$5 million must be approved in advance by the Shareholders.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 per option. Options may be exercised at any time from the date of grant of the share option to a period to be notified by the Board to each grantee at the time of making such offer, which shall not expire later than 10 years from the date of grant.

The subscription price of the share option is determined by the Board, and the amount will not be less than the higher of (a) the closing price of Shares on the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The following table discloses details and movements of the Company's share options held by Directors, eligible employees and other eligible participants of the Group under the Share Option Scheme during the period ended 31 December 2009 and the year ended 30 June 2009:

Name	Date of grant	Exercise price per Share HK$	Exercise period	Outstanding at 1 July 2008	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 30 June 2009	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 31 December 2009
Directors:												
Mr. Robert Geoffrey Ryan	22 March 2007	1.40	22 March 2008 – 21 March 2009	6,687,500	–	–	(6,687,500)	–	–	–	–	–
			22 March 2009 – 21 March 2010	6,687,500	–	–	(6,687,500)	–	–	–	–	–
			22 March 2010 – 21 March 2011	6,687,500	–	–	(6,687,500)	–	–	–	–	–
			22 March 2011 – 21 March 2012	6,687,500	–	–	(6,687,500)	–	–	–	–	–
	9 October 2008	0.2198	9 October 2009 – 8 October 2010	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2010 – 8 October 2011	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2011 – 8 October 2012	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2012 – 8 October 2013	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
Mr. Bai Jinmin	15 June 2007	1.77	15 June 2008 – 14 June 2009	6,687,500	–	–	(6,687,500)	–	–	–	–	–
			15 June 2009 – 14 June 2010	6,687,500	–	–	(6,687,500)	–	–	–	–	–
			15 June 2010 – 14 June 2011	6,687,500	–	–	(6,687,500)	–	–	–	–	–
			15 June 2011 – 14 June 2012	6,687,500	–	–	(6,687,500)	–	–	–	–	–
	9 October 2008	0.2198	9 October 2009 – 8 October 2010	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2010 – 8 October 2011	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2011 – 8 October 2012	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2012 – 8 October 2013	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Name	Date of grant	Exercise price per Share HK$	Exercise period	Outstanding at 1 July 2008	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 30 June 2009	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 31 December 2009
Directors:												
Mr. Liang Yu	11 July 2008	0.754	11 July 2009 – 10 July 2010	–	6,687,500	–	(6,687,500)	–	–	–	–	–
			11 July 2010 – 10 July 2011	–	6,687,500	–	(6,687,500)	–	–	–	–	–
			11 July 2011 – 10 July 2012	–	6,687,500	–	(6,687,500)	–	–	–	–	–
			11 July 2012 – 10 July 2013	–	6,687,500	–	(6,687,500)	–	–	–	–	–
	9 October 2008	0.2198	9 October 2009 – 8 October 2010	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2010 – 8 October 2011	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2011 – 8 October 2012	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
			9 October 2012 – 8 October 2013	–	3,343,750	–	–	3,343,750	–	–	–	3,343,750
Ms. Yang Yang	11 July 2008	0.754	11 July 2009 – 10 July 2010	–	668,750	–	(668,750)	–	–	–	–	–
			11 July 2010 – 10 July 2011	–	668,750	–	(668,750)	–	–	–	–	–
			11 July 2011 – 10 July 2012	–	668,750	–	(668,750)	–	–	–	–	–
			11 July 2012 – 10 July 2013	–	668,750	–	(668,750)	–	–	–	–	–
	9 October 2008	0.2198	9 October 2009 – 8 October 2010	–	334,375	–	–	334,375	–	–	–	334,375
			9 October 2010 – 8 October 2011	–	334,375	–	–	334,375	–	–	–	334,375
			9 October 2011 – 8 October 2012	–	334,375	–	–	334,375	–	–	–	334,375
			9 October 2012 – 8 October 2013	–	334,375	–	–	334,375	–	–	–	334,375

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Name	Date of grant	Exercise price per Share HK$	Exercise period	Outstanding at 1 July 2008	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 30 June 2009	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 31 December 2009
Eligible employees and other eligible participants												
	27 September 2006	0.218	27 September 2008 – 26 September 2009	1,250,000	–	(1,250,000) *(Note 1)*	–	–	–	–	–	–
			27 September 2009 – 26 September 2010	1,250,000	–	–	–	1,250,000	–	–	–	1,250,000
	22 March 2007	1.40	22 March 2008 – 21 March 2009	31,431,250	–	–	(31,431,250)	–	–	–	–	–
			22 March 2009 – 21 March 2010	31,431,250	–	–	(31,431,250)	–	–	–	–	–
			22 March 2010 – 21 March 2011	31,431,250	–	–	(31,431,250)	–	–	–	–	–
			22 March 2011 – 21 March 2012	31,431,250	–	–	(31,431,250)	–	–	–	–	–
	15 June 2007	1.77	15 June 2008 – 14 June 2009	9,375,000	–	–	(9,375,000)	–	–	–	–	–
			15 June 2009 – 14 June 2010	9,375,000	–	–	(9,375,000)	–	–	–	–	–
			15 June 2010 – 14 June 2011	9,375,000	–	–	(9,375,000)	–	–	–	–	–
			15 June 2011 – 14 June 2012	9,375,000	–	–	(9,375,000)	–	–	–	–	–
	26 February 2008	0.908	26 February 2009 – 25 February 2010	20,750,000	–	–	(20,750,000)	–	–	–	–	–
			26 February 2010 – 25 February 2011	20,750,000	–	–	(20,750,000)	–	–	–	–	–
			26 February 2011 – 25 February 2012	20,750,000	–	–	(20,750,000)	–	–	–	–	–
			26 February 2012 – 25 February 2013	20,750,000	–	–	(20,750,000)	–	–	–	–	–
	11 July 2008	0.754	11 July 2009 – 10 July 2010	–	12,250,000	–	(12,250,000)	–	–	–	–	–
			11 July 2010 – 10 July 2011	–	12,250,000	–	(12,250,000)	–	–	–	–	–
			11 July 2011 – 10 July 2012	–	12,250,000	–	(12,250,000)	–	–	–	–	–
			11 July 2012 – 10 July 2013	–	12,250,000	–	(12,250,000)	–	–	–	–	–
	9 October 2008	0.2198	9 October 2009 – 8 October 2010	–	36,234,375	–	(562,500)	35,671,875	–	(500,000) *(Note 2)*	–	35,171,875
			9 October 2010 – 8 October 2011	–	36,234,375	–	(562,500)	35,671,875	–	–	–	35,671,875
			9 October 2011 – 8 October 2012	–	36,234,375	–	(562,500)	35,671,875	–	–	–	35,671,875
			9 October 2012 – 8 October 2013	–	36,234,375	–	(562,500)	35,671,875	–	–	–	35,671,875

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Name	Date of grant	Exercise price per Share HK$	Exercise period	Outstanding at 1 July 2008	Granted during the year	Exercised during the year	Forfeited during the year	Outstanding at 30 June 2009	Granted during the period	Exercised during the period	Forfeited during the period	Outstanding at 31 December 2009
Consultant												
	8 October 2009	0.398	8 April 2010 – 7 April 2011	–	–	–	–	–	2,500,000	–	(2,500,000)	–
			8 April 2011 – 7 April 2012	–	–	–	–	–	2,500,000	–	(2,500,000)	–
			8 April 2012 – 7 April 2013	–	–	–	–	–	2,500,000	–	(2,500,000)	–
			8 April 2013 – 7 April 2014	–	–	–	–	–	2,500,000	–	(2,500,000)	–
Total				302,225,000	264,825,000	(1,250,000)	(380,400,000)	185,400,000	10,000,000	(500,000)	(10,000,000)	184,900,000
Exercisable at the end of the year/period				54,181,250				–				46,787,500
Weighted average exercise price				HK$1.33	HK$0.38	HK$0.218	HK$1.21	HK$0.2198	HK$0.398	HK$0.2198	HK$0.398	HK$0.2198

Notes:

(1) During the year ended 30 June 2009, the weighted average closing price of the Shares immediately before the date on which the option was exercised was HK$0.405. The weighted average share price on the date of exercise was HK$0.445.

(2) During the period ended 31 December 2009, the weighted average closing price of the Shares immediately before the date on which the option was exercised was HK$0.37. The weighted average share price on the date of exercise was HK$0.40.

(3) No options were expired during the period ended 31 December 2009 and the year ended 30 June 2009.

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

At the end of the reporting period, the number of Shares of which options had been granted and remained outstanding under the Share Option Scheme was 184,900,000 (at 30 June 2009: 185,400,000), representing approximately 5.16% (at 30 June 2009: approximately 5.18%) of the Shares of the Company in issue at that date.

During the period ended 31 December 2009, the Company measures the fair value of the share option granted to a consultant by reference to the fair value of services received. The total fair value of the share option granted to the consultant for the period ended 31 December 2009 amounted to nil.

The fair values of options granted during the year ended 30 June 2009 were calculated using the binominal model, details of which are as follows:

	Date of grant	
	11 July 2008	**9 October 2008**
Number of Shares to be issued upon exercise of options granted	78,425,000	186,400,000
Estimated fair values of options granted	HK$32,295,000	HK$16,487,000
Significant inputs into the model:		
Closing share price at date of grant	HK$0.75	HK$0.176
Exercise price	HK$0.754	HK$0.2198
Expected volatility	67.45% – 89%	71% – 89%
Expected life of options	2 – 5 years	2 – 5 years
Risk-free interest rate	2.259% – 3.19%	1.175% – 2.269%
Dividend yield	nil	nil

Expected volatility was determined by using the historical volatility of the share prices of other companies in the similar industry over the expected life of the options. No other feature of the options granted was incorporated into the measurement of fair values.

The variables and assumptions used in computing the fair values of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

32. SHARE-BASED PAYMENT TRANSACTIONS (continued)

On 9 October 2008, certain options previously granted to certain Directors, eligible employees and other eligible participants were forfeited by cancellation. On the same date, the Company granted options carrying rights to subscribe a total of 186,400,000 Shares under the Share Option Scheme to certain Directors, eligible employees and other eligible participants, options carrying rights to subscribe 178,400,000 Shares were identified by the Company as replacement equity instruments for the cancelled equity instruments. The incremental value arising from the aforementioned cancellation and replacement was approximately HK$10,092,000, which represented the difference between the fair values of the replacement options and the fair values of the cancelled options at the date of the replacement options were granted. The fair values of the replacement options and cancelled options were estimated using the binominal method. The following table lists the inputs to the model used:

	Number of Shares in respect of the cancelled options	**Number of Shares in respect of the replacement options**
Number of Shares to be issued upon exercise of options granted	178,400,000	178,400,000
Estimated fair values of options granted	HK$6,395,000	HK$16,487,000
Significant inputs into the model:		
Closing share price at date of the replacement options were granted	HK$0.176	HK$0.176
Exercise price	HK$0.754 – HK$1.802	HK$0.2198
Expected volatility	66.11% – 110.91%	71% – 89%
Expected life of options	2 – 5 years	2 – 5 years
Risk-free interest rate	0.138% – 2.238%	1.175% – 2.269%
Dividend yield	nil	nil

Expected volatility was determined by using the historical volatility of the share prices of other companies in the similar industry over the expected life of the options. No other feature of the options granted was incorporated into the measurement of fair values.

The variables and assumptions used in computing the fair values of the share options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

33. RELATED PARTY TRANSACTIONS

Apart from those disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions during the current and prior periods:

	Period ended 31 December 2009 HK$	Year ended 30 June 2009 HK$
Compensation of key management personnel:		
Short-term employee benefits	**4,527,169**	9,317,152
Share-based payments	**3,153,964**	30,760,802
Post-employment benefits	**25,646**	44,193
	7,706,779	40,122,147

34. DISPOSALS OF SUBSIDIARIES

(a) Disposal of MegaInfo Group

During the period ended 31 December 2009, the Group disposed of its entire equity interest in MegaInfo Group which carried out all of its Enterprise solutions operation.

Consideration received

	Period ended 31 December 2009 HK$
Consideration received in cash and cash equivalents	1

Analysis of assets and liabilities over which control was lost

	At 19 November 2009 HK$
Current assets	
Inventories	115,070
Trade receivables	69,947
Other receivables, deposits and prepayments	393,622
Pledged deposits	320,000
Bank balances and cash	1,047,344
Non-current assets	
Property, plant and equipment	54,837
Investment in an associate *(Note 19)*	–
Current liabilities	
Trade payables	(349,091)
Other payables, accruals and deposits received	(1,450,169)
Net assets disposed of	201,560

34. DISPOSALS OF SUBSIDIARIES (continued)

(a) Disposal of MegaInfo Group (continued)

Gain on disposal of MegaInfo Group

	Period ended 31 December 2009 HK$
Consideration received	1
Net assets disposed of	(201,560)
Cumulative exchange differences released	(17,200)
Cumulative contributed surplus released	11,108,399
Gain on disposal	10,889,640

The gain on disposal is included in the profit for the period ended 31 December 2009 from discontinued operation in the consolidated statement of comprehensive income *(Note 10)*.

Net cash outflow on disposal of MegaInfo Group

	Period ended 31 December 2009 HK$
Consideration received in cash and cash equivalents	1
Less: cash and cash equivalent balances disposed of	(1,047,344)
	(1,047,343)

34. DISPOSALS OF SUBSIDIARIES (continued)

(b) Disposal of 安徽世紀星彩企業管理有限公司 (China Lottery Management (Anhui) Co., Ltd.*)

During the period ended 31 December 2009, the Group disposed of its entire equity interest in 安徽世紀星彩企業管理有限公司 (China Lottery Management (Anhui) Co., Ltd.*) upon deregistration.

Consideration received

	Period ended 31 December 2009 HK$
Consideration received in cash and cash equivalents	–

Loss on disposal of 安徽世紀星彩企業管理有限公司 (China Lottery Management (Anhui) Co., Ltd.*)

	Period ended 31 December 2009 HK$
Consideration received	–
Net assets disposed of	–
Cumulative exchange differences released	(6,409)
Loss on disposal	(6,409)

The loss on disposal is included in the loss for the period ended 31 December 2009 from continuing operations in the consolidated statement of comprehensive income.

Net cash movement on disposal of 安徽世紀星彩企業管理有限公司 (China Lottery Management (Anhui) Co., Ltd.*)

	Period ended 31 December 2009 HK$
Consideration received in cash and cash equivalents	–

34. DISPOSALS OF SUBSIDIARIES (continued)

(c) Disposal of 江蘇世紀星彩企業管理有限公司 (China Lottery Management (Jiangsu) Co., Ltd.*)

During the period ended 31 December 2009, the Group disposed of its entire equity interest in 江蘇世紀星彩企業管理有限公司 (China Lottery Management (Jiangsu) Co., Ltd.*) upon deregistration.

Consideration received

	Period ended 31 December 2009 HK$
Consideration received in cash and cash equivalents	–

Loss on disposal of 江蘇世紀星彩企業管理有限公司 (China Lottery Management (Jiangsu) Co., Ltd.*)

	Period ended 31 December 2009 HK$
Consideration received	–
Net assets disposed of	–
Cumulative exchange differences released	(1,971)
Loss on disposal	(1,971)

The loss on disposal is included in the loss for the period ended 31 December 2009 from continuing operations in the consolidated statement of comprehensive income.

Net cash movement on disposal of 江蘇世紀星彩企業管理有限公司 (China Lottery Management (Jiangsu) Co., Ltd.*)

	Period ended 31 December 2009 HK$
Consideration received in cash and cash equivalents	–

34. DISPOSALS OF SUBSIDIARIES (continued)

(d) Disposal of 湖南世紀星彩科技有限公司 (China Lottery Technology (Hunan) Co., Ltd.*)

During the year ended 30 June 2009, the Group disposed of its entire equity interest in 湖南世紀星彩科技有限公司 (China Lottery Technology (Hunan) Co., Ltd.*) upon deregistration.

Consideration received

	Year ended 30 June 2009 HK$
Consideration received in cash and cash equivalents	–

Gain on disposal of 湖南世紀星彩科技有限公司 (China Lottery Technology (Hunan) Co., Ltd.*)

	Year ended 30 June 2009 HK$
Consideration received	–
Net assets disposed of	–
Non-controlling interests	255,535
Cumulative exchange differences released	(53,553)
Gain on disposal	201,982

The gain on disposal is included in the loss for the year ended 30 June 2009 from continuing operations in the consolidated statement of comprehensive income.

Net cash movement on disposal of 湖南世紀星彩科技有限公司 (China Lottery Technology (Hunan) Co., Ltd.*)

	Year ended 30 June 2009 HK$
Consideration received in cash and cash equivalents	–

* *English name is for identification purposes only*

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31 December 2009 are set out as follows:

Name of subsidiary	Form of business structure	Place of incorporation/ registration	Principal place of operations	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company	Principal activities
Asia Gaming Technologies Limited	Incorporated	Hong Kong	PRC	2,000 ordinary shares of HK$1 each	51% (indirect)	Sales and distribution of software games and system and provision of maintenance, after-sales, training and consultancy services for such products
亞博泰科科技 (北京) 有限公司 (Asia Gaming Technologies (Beijing) Co., Ltd.*)	Wholly-foreign owned enterprise	PRC	PRC	Registered capital of HK$5 million	51% (indirect)	Sales and distribution of software games and system and provision of maintenance, after-sales, training and consultancy services for such products
Maxprofit Management Limited	Incorporated	Hong Kong	Hong Kong	600,000 ordinary shares of HK$1 each	100% (indirect)	Provision of management services for the Group
北京思德泰科科技發展有限公司 (Beijing Systek Science & Technology Development Co., Ltd.*)	Wholly-foreign owned enterprise	PRC	PRC	Registered capital of HK$21 million	100% (indirect)	Research and development of sports lottery information technology
世紀星彩企業管理有限公司 (China Lottery Management Co., Ltd.*)	Wholly-foreign owned enterprise	PRC	PRC	Registered capital of HK$150 million	100% (indirect)	Provision of sports lottery management and marketing consultancy services and supply of sports lottery sales terminals (and accessories)

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Name of subsidiary	Form of business structure	Place of incorporation/ registration	Principal place of operations	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company	Principal activities
湖南世紀星彩企業管理有限公司 (China Lottery Management (Hunan) Co., Ltd.*)	Domestic enterprise	PRC	PRC	Registered capital of RMB5 million	100% (indirect)	Provision of sports lottery management and marketing consultancy services
江西世紀星彩企業管理有限公司 (China Lottery Management (Jiangxi) Co., Ltd.*)	Domestic enterprise	PRC	PRC	Registered capital of RMB5 million	100% (indirect)	Provision of sports lottery management and marketing consultancy services
遼寧世紀星彩企業管理有限公司 (China Lottery Management (Liaoning) Co., Ltd.*)	Domestic enterprise	PRC	PRC	Registered capital of RMB10 million	100% (indirect)	Provision of sports lottery management and marketing consultancy services
SYSTEK LTD	Incorporated	BVI	PRC	1 ordinary share of US$1	100% (indirect)	Investment holding
SHINING CHINA INC	Incorporated	BVI	PRC	50,000 ordinary shares of US$1 each	100% (indirect)	Investment holding

* English name is for identification purposes only.

The above table lists out the principal subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities during the period and at the end of the reporting period.

36. DIVIDEND

The Board does not recommend the payment of a final dividend for the period (for the year ended 30 June 2009: nil).

37. COMPARATIVE FIGURES

The results and cash flows of the Enterprise solutions operation have been presented as discontinued operation and accordingly, the comparative figures for the year ended 30 June 2009 of the consolidated statement of comprehensive income had been reclassified in accordance with HKFRSs. For comparative purposes, certain comparative figures have also been reclassified to conform with current period presentation to align with the financial statements presentation of the Group.

38. EVENTS AFTER THE REPORTING PERIOD

After the reporting period, on 5 March 2010, the Group entered into a conditional sale and purchase agreement dated 5 March 2010 to acquire control of Exequs Co. Ltd. and its subsidiary (collectively, the "Exequs Group") at a total consideration of HK$50,000,000, which shall be satisfied as to HK$28,000,000 in cash and as to HK$22,000,000 by the allotment and issue of the 57,894,000 consideration shares at an issue price of approximately HK$0.38 per share. The Exequs Group holds a 35% equity interest in GOT. GOT is one of the vendors approved by SLAC for the research, development and production of sports lottery terminals and systems. At the date of approval of these financial statements, the acquisition has not yet been completed.

Financial Summary

RESULTS

	For the period				
	1 July – 31 December 2009 HK$	1 July 2008 – 30 June 2009 HK$	1 July 2007 – 30 June 2008 HK$	1 July 2006 – 30 June 2007 HK$	1 July 2005 – 30 June 2006 HK$
Revenue					
– continuing operations	**33,822,293**	58,988,495	43,163,581	1,915,325	–
– discontinued operation	**340,447**	2,633,483	1,806,589	20,149,197	69,404,045
Total	**34,162,740**	61,621,978	44,970,170	22,064,522	69,404,045
Loss for the period attributable to owners of the Company					
– continuing operations	**(44,268,184)**	(189,237,306)	(126,898,578)	(59,441,365)	–
– discontinued operation	**8,897,185**	(262,425)	(1,637,475)	(1,010,037)	(2,802,163)
Total	**(35,370,999)**	(189,499,731)	(128,536,053)	(60,451,402)	(2,802,163)

ASSETS AND LIABILITIES

	As at				
	31 December 2009 HK$	30 June 2009 HK$	30 June 2008 HK$	30 June 2007 HK$	30 June 2006 HK$
Total assets	**1,036,008,408**	1,073,894,601	1,152,055,442	1,112,026,006	18,708,930
Total liabilities	**(30,465,966)**	(36,812,081)	(44,421,781)	(51,731,778)	(13,709,554)
	1,005,542,442	1,037,082,520	1,107,633,661	1,060,294,228	4,999,376
Equity attributable to owners of the Company	**1,002,482,563**	1,034,828,450	1,103,511,128	1,055,194,142	4,999,376
Non-controlling interests	**3,059,879**	2,254,070	4,122,533	5,100,086	–
	1,005,542,442	1,037,082,520	1,107,633,661	1,060,294,228	4,999,376