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AGTech Holdings Limited

亞博科技控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8279)

DISCLOSURE PURSUANT TO RULE 17.10 OF THE GEM LISTING RULES (AUTHORISED AS THE SOLE OPERATOR FOR E-SPORTS IN THE PRC)

The Board is pleased to inform the Shareholders and potential investors of the Company that a press conference will be jointly held by AGTech and China Sport Information Centre of the General Administration of Sport of China (國家體育總局體育信息中心) ("CSIC") at the Tiaoyutai State Guesthouse in Beijing, the PRC on 28 April 2010 to announce the grant of an exclusive authorisation by CSIC to AGTech to act as the sole operator to organise, manage and operate all relevant official commercial activities for e-sports development in the PRC.

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board is pleased to announce that, on 28 April 2010, a press conference will be jointly held by AGTech and CSIC at the Tiaoyutai State Guesthouse in Beijing, the PRC, to announce the grant of an exclusive authorisation by CSIC to AGTech to act as the sole operator to organise, manage and operate all relevant official commercial activities for e-sports development in the PRC.

CSIC is the government authority authorised by the General Administration of Sport of China to be in charge of centrally organising, guiding and promoting e-sports in the PRC and is responsible for e-sports daily operation and management.

According to the aforesaid authorisation, CSIC has granted to AGTech an exclusive right to:

(i) organise China E-sports Premier League (CEPL) and Shenzhen E-sports Open Event;

(ii) establish and maintain the official and commercial e-sports website(s) ***(www.e-sports.org.cn)***;

CEPL 中国电子竞技超级联赛
China E-Sports Premier League

(iii) organise training for e-sports athletes and referees; and

(iv) organise, manage and operate all other relevant official commercial activities for e-sports development in the PRC such as broadcasting of e-sports events through the internet and TV channels, provision of management services for e-sports athletes, setting up of e-sports clubs and training centres, and sales of e-sports souvenirs and gifts etc.

Shareholders and potential investors of the Company are reminded that no definitive and final terms have been agreed between AGTech and CSIC in respect of the proposed way of cooperation. The Company will make further announcement(s) in this regard as and when appropriate.

CSIC is independent of and not connected with the Company and the directors, chief executive, management shareholders or substantial shareholders of the Company or its subsidiaries, or any of their respective associates (as defined under the GEM Listing Rules).

Overview of E-Sports

Defining E-sports

Electronic sports, abbreviated e-sports, is in its simplest terms the phrase used to describe the playing of video game contest as a form of sports, also it describes a sport of wisdom between people with high-tech software and hardware as sports equipment. Through these games, the players can temper and improve their thinking abilities, reaction skills, coordination skills of mind, eyes and limbs, will powers as well as cultivate team spirits. E-sports has a defined set of rules, with particularly strict rules on time limit and the number of rounds. E-sports tournaments can be categorised into professional and amateur levels. Players of professional level can play at professional leagues and tournaments. The most popular global tournaments include World Cyber Games (WCG), World Electronic Games (WEG) and Electronic Sport World Cup (ESWC).

From an industrial perspective, e-sports is not only a gaming industry, but also a multi-dimensional entertainment industry. E-sports covers a wide range of relevant industries, from software development, internet platform establishment, internet and TV broadcasting, and corporate sponsorship to information technology industry. In Europe, the United States of America, South Korea and other countries with relatively developed entertainment industries, e-sports can integrate various resources and benefit various levels of the industrial chain.

Types of E-sports Games

E-sports games can be broadly classified into the following four categories:

The first category is ***First Person Shooting (FPS) games***. These games test the players' reaction skills, teamwork and use of tactics. Counter-Strike (CS), Day of Defeat (DOD), Rainbow Six, Battlefield, Call of Duty etc. belong to this category.

The second category is ***Real-time Strategic (RTS) games***. These games test the players' resource macromanagement skills, macro strategies, micro tactics and reaction skills. They include Warcraft, StarCraft, Command & Conquer, Age of Empires, Red Alert etc.

The third category is ***traditional Sports Games (SPG)***. These games test the players' abilities to master the traditional sports games and operate keyboard properly. FIFA Football, Live Football, NBA Basketball, Need for Speed, Kartriders etc. belong to this category.

The fourth category is ***Fighting Games (FTG)***. These games, in addition to testing of reaction skills and operation proficiencies, are more focused on contests of emotional responses under fast paced environment. Famous games such as KOF, Evil Equipments, Fighting on JI, VR Warrior etc. belong to this category.

Overview of the E-Sports Industry

The development of international E-sports industry

It is noted that the e-sports industry has shown a development tendency of industrialisation and standardisation in many developed countries. In South Korea, Japan, France, the United States of America, Germany and Sweden, formal club systems and league systems have been established, also internationally recognised tournament brands have been built. The e-sports clubs in these countries have more or less the same operation systems as the European soccer clubs, having not only their own super-star players, but also sound systems in management and tournament. It enables the generation of stable revenues and the development of value-added branded merchandises such as apparels, props, video products etc., thereby helping to build successful e-sports club brands.

Particularly in South Korea, with strong support from the government and society, the e-sports industry has been growing rapidly, and eventually becomes one of the pillars of the national economy as automobile, steel and other industries. E-sports, together with baduk and football, are now known as South Korea's three major national sports. Large companies in South Korea invest huge sums of money each year to sponsor teams and tournaments, also professional masters in South Korea have gained high popularity like pop idols and movie stars. Every year, various large-scale e-sports events bring considerable business opportunities for the development of local information technology, gaming, tourism, convention and exhibition and media industries. In 2006, Korea's e-sports industry was valued at US$4 billion. Korea has highly established professional league system and mature event operation mode, as well as two game TV stations which have organised and relayed a number of world tournaments. The World Cyber Games (WCG), also regarded as the Olympic Games of e-sports, was founded in Korea in 2000.

The development of China's E-sports industry

China has excellent conditions and mass population to develop e-sports, its large population of internet users is no doubt the pool of talented e-sports athletes. According to the "Internet Development Statistics Report of China" issued by China Internet Network Information Centre (CNNIC) in 2010, compared to 2008, the number of internet users in 2009 increased by 28.9% to 384 million and internet penetration rate has risen steadily from 22.6% to 28.9%. The number of online game users in 2009 continued to grow and reached 265 million, an increase of 41.5% compared to 2008. The utilisation rate of online games increased from 62.8% in 2008 to 68.9% in 2009.

The report also pointed out that the online games market in China reached approximately RMB12.8 billion and RMB25.8 billion in 2007 and in 2008 respectively, representing a robust development trend of an approximately one-fold increase. However, the production values directly related to e-sports in 2008 was only about RMB500 million, which showed that the e-sports industry still has enormous room for development. Compared with the market size of e-sports of approximately RMB50 million in 2004, a 10-fold increase within four years indicated a stronger growth momentum.

Source of information: The Company's management, Shenzhen Business Weekly, China News Network (www.chinanews.com.cn)

Regulatory support in China

In recent years, the Chinese Government has vigorously promoted e-sports and is actively supporting the acceleration and development of professional sports through commercialisation of industry chain.

Since 2003, China's e-sports activities have been officially approved by the General Administration of Sport of China as an official sport. The 2014 Asian Games will be held in Incheon, Korea. According to normal practice, the host country plays a key role in selecting a new sport to be included in the Asian Games. According to the news released on the website of Shenzhen E-sports Association, Mr. Chung Mong-Joon, a member of the National Assembly of South Korea, clearly expressed that he will actively propose e-sports to become one of the official game sports in the Asian Games, thereby taking e-sports to a higher level of international recognition. Coupled with the fact that China also intends to include e-sports as an official game sport in the 2014 Youth Olympic Games in Nanjing, obviously, the General Administration of Sport of China is facilitating and promoting the development of e-sports industry as well as establishing the industry chain for e-sports in order to foster talents for the country. Meanwhile, the General Administration of Sport of China also issued the "Notice on the Authorisation of CSIC to Manage E-sports Project" in 2009, so as to authorise CSIC to manage e-sports events, in order to promote the popularity of e-sports in China.

In addition, the State Council issued the "Guidance on Accelerating the Development of the Sports Industry" (the "Guidance") on 19 March 2010. In the Guidance, the Chinese government explicitly expressed, for the first time, its support to accelerate the development of the sports industry. The Guidance pointed out that provinces and municipalities should encourage reform and innovation, foster internationally competitive sports enterprises, encourage enterprises to organise commercial sports events, foster sports intermediary market, enhance sports training and improve worldwide recognition of branded sports products, in order to achieve the objectives of accelerating the development of the sports industry and expanding the scale of sports services. These initiatives help to lay a solid foundation for future innovation and development of China's e-sports industry.

With regulatory support, e-sports has been sweeping across China at a rapid and accelerating pace in recent years. There are more Chinese star players winning awards in international e-sports games and gaining support from the public, which in turn helps attract more large corporations to sponsor the tournaments and teams.

Reasons for and Benefits of Entering into the E-sports Industry

The Board is very pleased to have the opportunity to enter into an exclusive nationwide strategic partnership with CSIC for joint development of e-sports business in China. Given the above, China's e-sports industry has tremendous market potential, and the revenue of this industry will be increased following more Chinese internet users becoming e-sports enthusiasts in the events in future. Therefore, the Directors believe that it is a unique investment opportunity to enter into China's rapidly developing e-sports industry. By doing so, the Group can expand its assets and earnings base and further strengthen its market position in sports leisure and sports lottery industry in China. The cooperation is consistent with the Group's existing business model and enables the Group to expand its business into new business segment within sports leisure and sports lottery industry in China. In addition, the development of e-sports business can well match the direction of sports and e-sports industry development promulgated by the Chinese government, therefore the Directors expect that the prospect of the cooperation between AGTech and CSIC is promising.

DEFINITIONS

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

"AGTech"	AGTech Interactive Media Holdings Limited (a wholly-owned subsidiary of the Company) or its affiliated company
"Board"	the board of Directors
"Company"	AGTech Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on GEM
"CSIC"	China Sport Information Centre of the General Administration of Sport of China (國家體育總局體育信息中心)
"Director(s)"	the director(s) of the Company
"GEM"	the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"PRC" or "China"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Share(s)"	ordinary share(s) of HK$0.002 each in the share capital of the Company

"Shareholder(s)"	holder(s) of the Share(s)
"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

By order of the Board
Sun Ho
Chairman

Hong Kong, 27 April 2010

As at the date of this announcement, the Board comprises (i) Mr. Sun Ho, Mr. Robert Geoffrey Ryan, Mr. Bai Jinmin and Mr. Liang Yu as executive Directors; (ii) Ms. Yang Yang as non-executive Director; and (iii) Mr. Wang Ronghua, Mr. Hua Fengmao and Mr. Kwok Wing Leung Andy as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcement" page of the GEM website operated by the Stock Exchange at www.hkgem.com for at least seven days from the day of its posting and will be published on the website of the Company at www.agtech.com.

* *For identification purpose only*