

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



*(incorporated in the Cayman Islands with limited liability)*

**UNRECORDED RECEIVABLE IN RESPECT OF  
THE LISTING EXPENSES SHARED  
BY THE CONTROLLING SHAREHOLDER  
ADJUSTMENTS TO THE AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH, 2003 AND  
PROVISION OF FINANCIAL ASSISTANCE  
TO A CONNECTED PERSON**

Further to the announcement of the audited annual results of AGL MediaTech Holdings Limited (the “Company”) and its subsidiaries (together with the Company, the “Group”) for the year ended 31 March, 2003, on 24 June, 2003, the board of the Company announced certain adjustments, as described more fully below, to the audited consolidated trade and other receivables, other operating income and share premium accounts as at 31 March, 2003 in respect of the inadvertent payment, which was due to an oversight of part of the listing expenses of the Company which should have been borne by City Pacific Ventures Limited (the “Vendor”), the controlling shareholder of the Company and the vendor of existing shares in the placing and listing of the Company. It is caused by the Company itself paying certain invoices in respect of listing expenses without making any allocation to the Vendor in the following circumstances: (i) the invoices of certain listing expenses were received by the Company prior to the listing and prepaid by the Company accordingly; and (ii) the invoices of certain listing expenses were received by the Company after listing and paid by the Company accordingly. This oversight has been rectified.

Details of the calculation of the sharing of such expenses incurred in the placing and listing of the Company between the Company and the Vendor are set out in the prospectus. The rectification of related accounting treatments and an unaudited adjusted statement of the consolidated net tangible asset value of the Group as at 31 March, 2003 are disclosed in this announcement.

As the auditors of the Company do not consider the accounting adjustments to be a fundamental and material error which will render the published consolidated financial statements for the year ended 31 March, 2003 not giving a true and fair view of the financial position of the Company and the Group, prior year accounting adjustments in respect thereof will not be made in the consolidated financial statements of the Group for the year ending 31 March, 2004.

The Stock Exchange is of the view that the payment of the part of the listing expenses by the Company, which should have been borne by the Vendor of existing shares in the Company, constituted financial assistance as defined under rule 20.53(2)(a) of the GEM listing rules and is subject to reporting and announcement requirements, and therefore the delay in the reporting of the above constituted a breach of rule 20.53(2)(a) of the GEM listing rules.

In view of the above, the Stock Exchange has indicated that it reserves its right to take any appropriate actions.

This announcement is made at the request of the Stock Exchange. Reference is made to the prospectus issued by the Company on 22 November, 2002 and the announcement of audited financial results for the financial year ended 31 March, 2003 made by the Company on 24 June, 2003.

### **Unrecorded receivable in respect of the listing expenses shared by the Vendor**

It was reported in the announcement on 24 June, 2003 of the audited financial results of the Group for the year ended 31 March, 2003 that the Group recorded trade and other receivables, other operating income and share premium accounts of HK\$626,000, HK\$55,000 and HK\$8,719,000, respectively. As these balances did not take into account the part of the listing expenses of the Company that should have been borne by the Vendor, the trade and other receivables, the other operating income and the share premium accounts previously announced were understated by approximately HK\$1,049,000, HK\$17,000 and HK\$1,032,000, respectively. This was caused by an oversight by the Company in calculating the listing expenses incurred in connection with

the placing and listing of the Company to be shared between the Company and the Vendor. The Company itself paid certain invoices in respect of listing expenses, such as for Cayman Islands legal expenses and financial public relations services, without making any allocation to the Vendor in the following circumstances: (i) the invoices of certain listing expenses were received by the Company prior to the listing and prepaid by the Company accordingly; and (ii) the invoices of certain listing expenses were received by the Company after listing and paid by the Company accordingly. The Directors note that the Company was not, at the time of listing on the Stock Exchange, completely familiar with the procedures for allocating listing expenses and believe this factor contributed to the inadvertent misallocation of listing expenses.

According to the calculation of the listing expenses incurred in the placing and listing of the Company as set out in the prospectus, the total listing expenses which were estimated to be approximately HK\$8 million, were payable as to 66.7% by the Company and as to 33.3% by the Vendor in the proportion of the number of new shares relative to sale shares under the placing. Once the understatement was discovered upon enquiry by the Stock Exchange, the Vendor agreed to pay to the Company the outstanding balance of its share of the listing expenses of approximately HK\$1,032,000 and interest thereon of approximately HK\$42,000 to rectify the matter. The outstanding balance and interest were agreed to be settled in cash on or before 30 September, 2003. The principal amount of HK\$1,032,000 was repaid in cash to the Company on 22 September, 2003. The interest was agreed to be settled in cash on or before 30 September, 2003. The total interest income payable to the Company by the Vendor of approximately HK\$42,000 for the period commencing from 29 November 2002 to 22 September 2003 and the accrued interest income of approximately HK\$17,000 for the period commencing from 29 November, 2002 to 31 March, 2003, being the date of the financial year end of the Company, are calculated with reference to the listing expenses of the Company of approximately HK\$1,032,000 payable by the Vendor and the interest rate of 5% per annum levied over the relevant periods. The rate used in the calculation of the interest payable by the Vendor was the same as the Hong Kong dollar prime rate quoted by the Hong Kong and Shanghai Banking Corporation Limited in Hong Kong over the same period. The directors of the Company, including the independent non-executive directors, and the sponsor to the Company consider that the arrangement between the Company and the Vendor described above is on normal commercial terms.

## Adjustments to the audited financial statements for the year ended 31 March, 2003

The related accounting entries that should have been made in the financial statements of the Company for the year ended 31 March, 2003 are as follows:

Dr	Trade and other receivables	HK\$1,049,000
Cr	Share premium	HK\$1,032,000
Cr	Other operating income — interest income	HK\$17,000

The statement of unaudited adjusted consolidated net asset value of the Group as at 31 March, 2003, as adjusted for the sharing of the listing expenses that should have been borne by Vendor and the interest accrued thereon, is as follows:

	<i>HK\$</i>
Audited consolidated net asset value as at 31 March, 2003	10,573,000
Add: Adjustment to trade and other receivables	<u>1,049,000</u>
Unaudited adjusted consolidated net asset value	<u><u>11,622,000</u></u>
Unaudited adjusted consolidated net asset value per share in the Company (based on 480,000,000 shares in issue)	<u><u>2.42 HK cents</u></u>

The accounting adjustments described above will only affect the consolidated balance sheet of the Group as at 31 March, 2003 and will not have any adverse impact on its consolidated income statement for the year ended 31 March, 2003. As the auditors of the Company do not consider the accounting adjustments to be a fundamental and material error which will render the published consolidated financial statements for the year ended 31 March, 2003 not giving a true and fair view of the financial position of the Group, prior year accounting adjustments in respect thereof will not be made in the consolidated financial statements of the Group for the year ending 31 March, 2004.

The related accounting entries will be made in the financial statements of the Company on the date of repayment of the principal amount by the Vendor are as follows:

Dr	Bank balances and cash	HK\$1,074,000
Cr	Share premium	HK\$1,032,000
Cr	Other operating income — interest income	HK\$42,000

### **Provision of financial assistance to a connected person**

The Stock Exchange is of the view that the payment of the part of the listing expenses of the Company, which should have been borne by the Vendor, which is a connected person under the GEM Listing rules, constituted financial assistance as defined under rule 20.53(2)(a) of the GEM listing rules and is subject to reporting and announcement requirements, and therefore the delay in the reporting of the above constituted a breach of rule 20.53(2)(a) of the GEM listing rules.

The details of the above will be disclosed in the annual report of the Company for the financial year ending 31 March, 2004 in accordance with rule 20.34 of the GEM listing rules. In view of the above, the Stock Exchange has indicated that it reserves its right to take any appropriate actions.

By Order of the Board  
**AGL MediaTech Holdings Limited**  
**Chan Tik Yuen**  
*Chairman*

Hong Kong, 24 September, 2003

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors of Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumption that are fair and reasonable.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcement" page for 7 days from the date of its posting.*