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## **SUBSCRIPTION OF NEW SHARES**

**Financial Advisor to the Company**



The Board of the Company wishes to announce that the Company entered into the Subscription Agreements on 27 October, 2004 respectively with the Subscribers. Pursuant to the Subscription Agreements, the Company conditionally agreed to issue, and the Subscribers agreed to subscribe the Subscription Shares at the Subscription Price.

The Subscribers are independent of each other.

The Subscribers and their respective ultimate beneficial owners are independent third parties and not connected with the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates and are not connected persons (as defined in the Listing Rules) of the Company. As at the date of this announcement, the Subscribers do not hold any Share.

Immediately after completion of the Subscription, GEL's interest in the Company will be approximately 8.33% and DEL's interest in the Company will be approximately 8.33%.

The Subscription Shares represent approximately 20% of the existing issued share capital of the Company and approximately 16.66% of the issued share capital of the Company as enlarged by the Subscription.

Completion of the Subscription Agreements is conditional upon the GEM Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares.

The Subscription is estimated to raise approximately HK\$6.1 million and the expenses to be incurred by the Company in this Subscription is estimated to be approximately HK\$110,000. Among the net proceeds raised of approximately HK\$6 million, the Company intends to apply approximately HK\$3.6 million for business development on the provision of information technology consultancy service and the remaining proceeds of approximately HK\$2.4 million as general working capital for the Company.

There will not be any change in the composition of the Board subsequent to completion of the Subscription.

## **THE SUBSCRIPTION AGREEMENTS**

The board (the “Board”) of directors (the “Directors”) of AGL MediaTech Holdings Limited (the “Company”) wishes to announce that the Company entered into two subscription agreements (the “Subscription Agreements”) on 27 October, 2004 with Grand Ever Limited (“GEL”) and Data Expert Limited (“DEL” together with GEL are collectively referred to as the “Subscribers”). Pursuant to the Subscription Agreements, the Company conditionally agreed to issue, and the Subscribers agreed to subscribe (the “Subscription”) a total of 96,000,000 new shares (the “Subscription Shares”) of HK\$0.01 each of the Company at a price of HK\$0.064 each (the “Subscription Price”). Details of the Subscription Agreements are set out as follows:

### **Parties:**

Issuer: The Company

Subscribers: Grand Ever Limited, a company incorporated in British Virgin Islands, which is wholly and beneficially owned by Mr. Niu Tiehang.

Data Expert Limited, a company incorporated in British Virgin Islands, which is wholly and beneficially owned by Ms. Liu Peng.

The Subscribers are independent of each other.

To the best of the Board’s knowledge, information and belief and having made all reasonable enquiries, Mr. Niu Tiehang and Ms. Liu Peng are social acquaintance of one of the Directors and are independent third parties who are not connected persons of the Company, the Directors, chief executive, substantial shareholders or management shareholders of the Company or any of its subsidiaries or any of their respective associates. Mr. Niu Tiehang and Ms. Liu Peng do not have any former business relationship with the Company or any of its subsidiaries.

### **Number of Subscription Shares**

96,000,000 new shares, representing approximately 20% of the Company’s existing issued share capital and approximately 16.66% of the Company’s issued share capital as enlarged by the issue of the Subscription Shares. Among the 96,000,000 Subscription Shares being subscribed, each of the two Subscribers, GEL and DEL, agreed to subscribe 48,000,000 Subscription Shares respectively.

## **Subscription Price**

HK\$0.064 per Subscription Share, representing:

1. a discount of approximately 20% to the closing price of HK\$0.08 per Share on 27 October, 2004, being the date of the Subscription Agreements;
2. a discount of approximately 20% to the average closing price of HK\$0.08 per share for the last 5 trading days of the Shares up to and including 27 October, 2004; and
3. a discount of approximately 20% to the average closing price of HK\$0.08 per share for the last 10 trading days of the Shares up to and including 27 October, 2004.

The terms of the Subscription Agreements, including, amongst others, the Subscription Price were determined after arm's length negotiation between the Company and the Subscribers and the Board considers the Subscription Agreements and their terms and conditions fair and reasonable and are in the best interest of the shareholders of the Company as a whole.

## **Condition of the Subscription Agreements**

Completion of the Subscription Agreements is conditional upon the GEM Listing Committee of the Stock Exchange granting (subject only to allotment) listing of, and permission to deal in, the Subscription Shares. If the above condition is not fulfilled by 30 November, 2004, then saved for otherwise provided in the Subscription Agreements or any other mutual agreement between the Company and the Subscribers, the rights and obligations of the Company and the Subscribers in respect of the Subscription shall forthwith terminate and cease to have any effect.

Completion of each of the Subscription Agreements is not conditional upon completion of the other Subscription Agreement.

## **Completion**

The completion of the Subscription will take place as soon as possible following the satisfaction of the above condition and in any event not later than two business days after the satisfaction of the above condition.

## **RANKING OF THE SUBSCRIPTION SHARES**

The Subscription Shares will rank pari passu in all respects with the existing issued shares together with all rights and entitlements accruing after the date of completion.

## **GENERAL MANDATE**

The Subscription Shares will be issued pursuant to the general mandate granted to the Board at the annual general meeting held on 30 July, 2004. Other than the Subscription Shares, no shares had been issued pursuant to the aforesaid existing general mandate.

## APPLICATION FOR LISTING

Application for granting the listing of, and permission to deal in, the Subscription Shares will be submitted to the GEM Listing Committee of the Stock Exchange for approval by the Company.

## USE OF NET PROCEEDS

The Subscription is estimated to raise approximately HK\$6.1 million and the expenses to be incurred by the Company in this Subscription is estimated to be approximately HK\$110,000. Among the net proceeds raised of approximately HK\$6 million, the Company intends to apply approximately HK\$3.6 million for business development on the provision of information technology consultancy service and the remaining proceeds of approximately HK\$2.4 million as general working capital for the Company.

## REASONS FOR THE SUBSCRIPTION

The Company and its subsidiaries (the “Group”) is principally engaged in the provision of on-line rich media and content distribution solutions in Asia, with focus on three lines of solutions: on-line advertising solutions, mobile advertising solutions and content management solutions in Hong Kong. The Directors consider the Subscription an opportunity for the Company to raise funds for future development purposes and for broadening the capital base of the Company. The Directors believe additional fund raised by the Subscription would help in strengthening the Company’s core business and the financial position of the Company.

In the past 12 months, the Company did not issue any Share or securities to raise fund.

## EFFECTS ON SHAREHOLDING

Set out below is the table describing the Company’s existing shareholding structure and the shareholding structure after completion of the Subscription:

Name of Shareholder	Existing		After the Subscription	
	No. of shares	%	No. of shares	%
Elite Side Profits Limited ( <i>Note 1</i> )	264,000,000	55.00	264,000,000	45.83
Elliott Profits Limited ( <i>Note 2</i> )	51,264,000	10.68	51,264,000	8.9
Grand Ever Limited	—	—	48,000,000	8.33
Data Expert Limited	—	—	48,000,000	8.33
Other public shareholders	164,736,000	34.32	164,736,000	28.61
	<u>480,000,000</u>	<u>100.00</u>	<u>576,000,000</u>	<u>100.00</u>

*Notes:*

- (1) These shares are beneficially owned by Elite Side Profits Limited, the entire issued share capital of which is wholly and beneficially owned by Mr. Chu Yen Ling, the Chairman and executive Director of the Company.

- (2) These shares are beneficially owned by Elliott Profits Limited, the entire issued share capital of which is wholly and beneficially owned by Ms. Hung Wai Fan.

The Subscribers and their ultimate beneficial owners are independent third parties and not connected persons of the Company and they have no arrangement whatsoever with the Company, its subsidiaries or any of their directors, chief executive, substantial shareholders or in respect of the trading, dealing or disposal of the Subscription Shares.

There will not be any change in the composition of the Board subsequent to completion of the Subscription.

As at the date of this announcement, the Board comprises the following Directors:

*Executive Directors:*

Chu Yen Ling

Matthew Timothy D'Albertson

*Independent Non-executive Directors:*

Lu Da

Lau Man Yiu

Xue Xiaoyi

By order of the Board  
**AGL MediaTech Holdings Limited**  
**Chu Yen Ling**  
Chairman

Hong Kong, 27 October, 2004

*This announcement, for which the Directors 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 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 Announcements" page of the GEM website for at least seven days from the day of its posting and on the website of the Company at [www.aglmediatech.com](http://www.aglmediatech.com).*