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Elite Side Profits Limited

*(Incorporated in the British Virgin Islands
with limited liability)*



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

JOINT ANNOUNCEMENT

**(1) Acquisition of shares in AGL MediaTech Holdings Limited
by Elite Side Profits Limited;**

**(2) Mandatory unconditional cash offers by
Kingston Securities Limited**

on behalf of

Elite Side Profits Limited

for all the issued shares in AGL MediaTech Holdings Limited

(other than those already owned by

Elite Side Profits Limited and parties acting in concert with it)

and all outstanding options of

AGL MediaTech Holdings Limited; and

**(3) Placing of shares in AGL MediaTech Holdings Limited
by Kingston Securities Limited**

Financial adviser to Elite Side Profits Limited



KINGSTON CORPORATE FINANCE LIMITED

Co-financial adviser to Elite Side Profits Limited



INCUI Corporate Finance Limited

The respective boards of directors of Elite Side and AGL are pleased to announce that on 10th December 2003, Elite Side entered into the Sale and Purchase Agreement with the Vendor, pursuant to which Elite Side agreed to purchase and the Vendor agreed to sell 264,000,000 Sale Shares for a consideration of HK\$10.56 million (equivalent to HK\$0.04 per Sale Share). The Sale Shares represent 55% of the entire issued share capital of AGL as at the date of this announcement. Completion took place simultaneously with the signing of the Sale and Purchase Agreement.

After Completion, Elite Side and parties acting in concert with it own an aggregate of 264,000,000 Shares, representing 55% of the entire issued share capital of AGL as at the date of this announcement. Accordingly, Elite Side is required under Rules 26.1 and 13 of the Takeovers Code to make mandatory unconditional cash offers for (i) all the issued Shares not already owned by it and parties acting in concert with it, including the Placing Shares; and (ii) all outstanding Options. The principal terms of the Offers are set out under the section headed “Mandatory unconditional cash Offers” below. Kingston Corporate Finance and Incu are satisfied that there are sufficient financial resources available to Elite Side to satisfy the full acceptance of the Offers.

On 10th December, 2003, the Vendor entered into the Placing Agreement on a fully underwritten basis with Kingston Securities as the placing agent to procure placees (who shall be investors independent of and not connected with AGL, Elite Side and their respective directors, chief executive, substantial shareholders or management shareholders or any of their subsidiaries or any of their respective associates) for the sale and purchase of 96,000,000 Placing Shares at HK\$0.04 per Placing Share. The Placing Shares represent 20% of the entire issued share capital of the Company as at the date of this announcement, being the remaining interests held by the Vendor in the Company following Completion. Completion of the Placing Agreement will take place after the close of the Offers. The Placees shall undertake not to accept the Share Offer and not to dispose of or transfer any interests in the Placing Shares during the offer period. Furthermore, the Placing Shares have been put under escrow with Kingston Securities until completion of the Placing Agreement.

Within 21 days after the date of this announcement or such later date as the Executive may approve, Elite Side is required to despatch the offer document containing the terms and conditions of the Offers, the form of acceptance and transfer of the Shares to the shareholders of AGL as well as the form of acceptance of the outstanding Options to the holders of Options. AGL will establish an independent board committee to advise the independent shareholders of AGL in relation to the terms of the Offers. An independent financial adviser will be appointed to advise the independent board committee of AGL in respect of the Offers. AGL will send the offeree board circular in relation to the Offers to the shareholders of AGL and the holders of Options in accordance with the Takeovers Code. Elite Side and AGL will use all reasonable endeavours to combine the aforesaid offeree board circular with Elite Side's offer document so that a composite offer and response document can be posted.

Trading in Shares on GEM was suspended with effect from 9:30 a.m. on 11th December 2003 pending the release of this announcement. Application has been made by AGL for the resumption of trading in Shares on GEM with effect from 9:30 a.m. on 18th December, 2003.

THE SALE AND PURCHASE AGREEMENT

Date: 10th December 2003

Vendor: City Pacific Ventures Limited

Purchaser: Elite Side, which is independent of and not connected or acting in concert (as defined in the Takeovers Code) with AGL, the directors, chief executive, substantial shareholders or management shareholders of AGL and the Vendor or any of their respective subsidiaries, or an associate of any of them. Elite Side is not acting in concert (as defined in the Takeovers Code) with the Vendor.

Sale Shares

Pursuant to the Sale and Purchase Agreement, Elite Side agreed to purchase 264,000,000 Sale Shares, representing 55% of the entire issued share capital of AGL as at the date of this announcement. The Sale Shares were acquired by Elite Side free from all claims, charges, liens, encumbrances, equities and other third parties rights.

Consideration

The consideration of the Acquisition amounts to HK\$10.56 million (equivalent to HK\$0.04 per Sale Share), which was negotiated and determined after arms' length negotiations between Elite Side and the Vendor (i) with reference to the unaudited consolidated net assets value per Share of HK\$0.017 as shown in the interim report of the Company for the six months ended 30th September 2003; and (ii) taking into account that the Company was loss-making for the year ended 31st March, 2003 and for the six months ended 30th September, 2003.

The purchase price of HK\$0.04 per Sale Share represents (i) a discount of approximately 90% to the closing price of HK\$0.4 per Share as quoted on GEM on 10th December 2003, being the last trading day prior to the suspension of trading in Shares on 11th December 2003; (ii) a discount of approximately 90.07 % to the average closing price of approximately HK\$0.403 per Share as quoted on GEM for the last 10 consecutive trading days up to and including 10th December 2003; and (iii) a premium of approximately 135.3% to the unaudited net asset value per Share of approximately HK\$0.017 as at 30th September 2003, based on the interim report of the Company for the six months ended 30th September 2003.

Completion took place simultaneously with the signing of the Sale and Purchase Agreement. The Consideration was paid in cash by Elite Side to the Vendor upon Completion.

THE PLACING AGREEMENT

On 10th December, 2003, the Vendor entered into the Placing Agreement with Kingston Securities as the placing agent to procure placees (who shall be investors independent of and not connected with AGL, Elite Side and their respective directors, chief executive, substantial shareholders or management shareholders or any of their subsidiaries or any of their respective associates), on a fully underwritten basis for the sale and purchase of 96,000,000 Placing Shares at HK\$0.04 per Placing Share. The Placing Shares represent 20% of the entire issued share capital of the Company as at the date of this announcement, being the Vendor's entire remaining interests in the Company following Completion. Completion of the Placing Agreement will take place after the close of the Offers. The Placees shall undertake not to accept the Share Offer and not to dispose of or transfer any interests in the Placing Shares during the offer period. Furthermore, the Placing Shares have been put under escrow with Kingston Securities until completion of the Placing Agreement.

Conditions of the Placing Agreement

The Placing Agreement is conditional upon:

- (i) (a) trading in the Shares on the Stock Exchange not being suspended for a period of more than 5 consecutive trading days disregarding any suspension for the purposes of clearing any announcement and circular in relation to the sale and purchase of the Placing Shares by the regulatory authorities; (b) trading in the Shares on the Stock Exchange not being revoked or withdrawn at any time prior to the completion of the Placing Agreement and (c) there being no indication from the Stock Exchange or the SFC that listing of the Shares will be suspended, revoked or withdrawn at any time after completion of the Placing Agreement, whether in connection with any of the transactions contemplated by the Placing Agreement or otherwise; and
- (ii) all necessary regulatory consents and approvals as may be required in respect of the sale of the Placing Shares and the transactions contemplated under the Placing Agreement having been obtained.

These conditions cannot be waived under the Placing Agreement.

MANDATORY UNCONDITIONAL CASH OFFERS

Save for the Sale Shares acquired under the Sale and Purchase Agreement, Elite Side and parties acting in concert with it did not have any shareholding interests in AGL immediately prior to Completion. Immediately following Completion, Elite Side and parties acting in concert with it own an aggregate of 264,000,000 Shares, representing 55% of the entire issued share capital of AGL as at the date of this announcement. Under Rule 26.1 of the Takeovers Code, Elite Side is required to make mandatory unconditional cash offers for all the issued Shares not already owned by it or parties acting in concert with it, including the Placing Shares. Under Rule 13 of the Takeovers Code, Elite Side is also required to make a comparable offer for all outstanding Options as part of the Offers.

As at the date of this announcement, AGL has 480,000,000 Shares in issue and 29,482,756 outstanding Options entitling the holders thereof to subscribe for an aggregate of 29,482,756 Shares at an exercise price of HK\$0.05 per Share. Accordingly, apart from the Sale Shares and the Placing Shares, the remaining 120,000,000 Shares (assuming the Options granted have not been

exercised in full prior to the close of the Offers) or 149,482,756 Shares (assuming the Options granted have been exercised in full) will be subject to the Share Offer and the 29,482,756 outstanding Options (if not exercised prior to the close of the Offers) will be subject to the Option Offer.

Save for the outstanding Options disclosed above, there are no outstanding warrants, options or securities convertible into Shares as at the date of this announcement.

Within 21 days after the date of this announcement or such later date as the Executive may approve, Elite Side is required to despatch the offer document containing the terms and conditions of the Offers, the form of acceptance and transfer of the Shares to the shareholders of AGL as well as the form of acceptance of the outstanding Options to the holders of Options.

AGL will establish an independent board committee to advise the independent shareholders of AGL in relation to the terms of the Offers. An independent financial adviser will be appointed to advise the independent board committee of AGL in respect of the Offers. Further announcement will be made as soon as the independent financial adviser has been appointed. AGL will send the offeree board circular in relation to the Offers to the shareholders of AGL and the holders of Options in accordance with the Takeovers Code. Elite Side and AGL will use all reasonable endeavours to combine the aforesaid offeree board circular with Elite Side's offer document so that a composite offer and response document can be posted.

Principal terms of the Offers

Upon Completion, Kingston Securities, on behalf of Elite Side, will make mandatory unconditional cash offers for all the issued Shares (other than those already owned by Elite Side and/or parties acting in concert with it) including the Placing Shares and all outstanding Options on the following basis:

The Share Offer

For each Share HK\$0.04 in cash

The offer price for each Share is the same as that paid by Elite Side for the Sale Shares under the Sale and Purchase Agreement.

The Option Offer

For each outstanding Option HK\$0.0001 in cash

As at the date of this announcement, there are 29,482,756 outstanding Options granted to employees and directors of the Group, entitling them to subscribe for an aggregate of 29,482,756 Shares at an exercise price of HK\$0.05 per Share under the Pre-IPO Share Option Scheme.

Pursuant to Rule 13 of the Takeovers Code, Elite Side is required to make a comparable offer for all outstanding Options as part of the Offers. Elite Side offers to pay the holders of Options in cash on the basis set out above in respect of every Option held by them in consideration of the surrender by such holders of all their rights in respect of such Options. The holders of Options have not indicated whether they will accept the Option Offer or not.

Save for the Options granted to the holders of Options, there are no outstanding options, warrants or securities convertible into Shares as at the date of this announcement.

Comparison of value

The offer price of HK\$0.04 per Share is the same as the price paid by Elite Side to the Vendor for each Sale Share under the Sale and Purchase Agreement. The offer price of HK\$0.04 per Share represents:

- (a) a discount of approximately 90 % to the closing price of HK\$0.4 per Share as quoted on GEM on 10th December 2003, being the last trading day prior to the suspension of trading in Shares on 11th December 2003 pending the release of this announcement;
- (b) a discount of approximately 90.07% over the average closing price of approximately HK\$0.403 per Share as quoted on GEM for the last 10 consecutive trading days up to and including 10th December 2003; and
- (c) a premium of approximately 135.3 % over the unaudited net asset value per Share of approximately HK\$0.017 as at 30th September 2003, based on the interim report of the Company for the six months ended 30th September 2003.

Total consideration

As at the date of this announcement, there are 480,000,000 Shares in issue and 29,482,756 outstanding Options.

The entire issued share capital of AGL is valued at approximately HK\$19.2 million (assuming the Options have not been exercised in full prior to the close of the Offers) or approximately HK\$20.4 million (assuming the

Options have been exercised in full) under the Share Offer. All Shares subject to the Share Offer (except the Placing Shares as the Placees shall undertake not to accept the Share Offer and not to dispose of or transfer any interests in the Placing Shares during the offer period), are valued at approximately HK\$4.8 million (assuming the Options have not been exercised in full prior to the close of the Offers) or approximately HK\$6.0 million (assuming the Options have been exercised in full). Assuming all the 29,482,756 outstanding Options are tendered, at a price of HK\$0.0001 per Option, the amount payable by Elite Side under the Option Offer, if made, will be approximately HK\$2,948.

The consideration will be financed by a loan facility provided by Silver Bound Capital Limited, which is a registered money lender and is independent from Elite Side. Kingston Corporate Finance and Incu are satisfied that there are sufficient financial resources available to Elite Side to satisfy full acceptance of the Offers.

Effect of accepting the Offers

By accepting the Share Offer, shareholders of AGL will sell their Shares and all rights attached to them, including the rights to receive all dividends and distribution declared, made or paid on or after the posting of the offer document, which is expected to be on or about 7th January 2004 or such later date as the Executive may approve. By accepting the Option Offer, the holders of Options will surrender and give up the subscription rights attaching to the Options.

Stamp duty

Stamp duty arising in connection with acceptance of the Share Offer amounting to HK\$1.00 for every HK\$1,000 or part thereof of its value on the amount payable in respect of relevant acceptances will be deducted from the amount payable to shareholders of AGL who accept the Share Offer. Elite Side will then pay the stamp duty deducted to the stamp office of the Inland Revenue Department of Hong Kong.

INFORMATION ON THE COMPANY

The Shares were listed on GEM on 29th November 2002. The Group is principally engaged in the provision of on-line rich media and content distribution solutions in Asia, with focus on 3 lines of solutions: on-line advertising solutions, mobile advertising solutions and content management solutions in Hong Kong.

Prior to Completion, AGL's major shareholder was the Vendor, which held 75% of the entire issued share capital of AGL. The Vendor is wholly owned by Joy Ventures Limited as trustee of the The WCY Unit Trust, all but one unit of which are beneficially owned by the The CNH Trust. The CNH Trust is a discretionary trust and the discretionary objects of which are the family members of Mr. Chan and Mr. N.H.Chan (the father of Mr. Chan) including Ms. Han Seung A (the spouse of Mr. Chan), Ms. Wong Cheung Yun (the mother of Mr. Chan) and Ms. Chan Shiu Shu (the daughter of Mr. Chan). The remaining one unit of The WCY Unit Trust is held by Ms Wong Cheung Yun as protector for the beneficiaries who are Ms. Han Seung A and Ms. Chan Shiu Shu. Mr. Chan is the founder, chairman and executive director of AGL. He is deemed to have control of AGL prior to Completion under the Takeovers Code.

The following table sets out the shareholding structure of AGL before and immediately after Completion, the close of Offers and completion of the Placing Agreement

	Assuming no outstanding Options have been exercised				Assuming all outstanding Options have been exercised			
	Before Completion and commencement of Offers		After the close of Offers and completion of the Placing Agreement		Before Completion and commencement of Offers		After the close of Offers and completion of the Placing Agreement	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Vendor	360,000,000	75%	—	—	360,000,000	70.6%	—	—
Elite Side Holders of	—	—	264,000,000	55%	—	—	264,000,000	51.8%
Options who are senior management	—	—	—	—	29,482,756	5.8%	29,482,756	Note 5.8%
Placees	—	—	96,000,000	20%	—	—	96,000,000	18.8%
Public	120,000,000	25%	120,000,000	25%	120,000,000	23.6%	120,000,000	23.6%
Total	480,000,000	100%	480,000,000	100%	509,482,756	100.0%	509,482,756	100%

Note: Assuming the holders of Options have exercised all outstanding Options but have not accepted the Share Offer.

Based on the Group's audited consolidated financial statements for the year ended 31st March 2002, it recorded profit before and after tax of approximately HK\$1.20 million and HK\$1.01 million respectively. AGL recorded loss before and after tax of approximately HK\$3.96 million and HK\$3.97 million respectively for the financial year ended 31st March 2003. AGL has net assets of approximately HK\$10.57 million as at 31st March 2003. As stated in AGL's interim report for the six months ended 30th September,

2003, it recorded an unaudited consolidated loss before and after tax of approximately HK\$3.40 million and HK\$3.40 million respectively. AGL has unaudited net assets of approximately HK\$8.22 million as at 30th September, 2003.

INFORMATION ON ELITE SIDE AND ITS INTENTION REGARDING AGL

Elite Side is an investment holding company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Chu who is also the sole director of Elite Side. Save for the entering into of the Sale and Purchase Agreement, Elite Side has not conducted any business since its incorporation.

Immediately prior to Completion, neither Elite Side nor the parties acting in concert with it own any Shares. Save for the entering into of the Sale and Purchase Agreement, none of Elite Side and parties acting in concert with it has dealt in any Shares during the period commencing on the date falling six months prior to the date of the Sale and Purchase Agreement and up to the date of this announcement.

Following Completion and the close of Offers, Elite Side intends to continue the existing businesses of the Group. Elite Side has no intention to re-deploy the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business. Elite Side also intends to continue to implement the business objectives in the manner as set out in the Prospectus. Currently, Elite Side has no intention to inject any assets or businesses into AGL. However, Elite Side intends to conduct a review of the Group's existing position with a view to broadening and expanding the income source of the Group, leveraging on Mr. Chan's expertise in the business. Elite Side will also review the use of proceeds as set out in the Prospectus resulting from the placing of Shares whereby the Shares became listed on GEM and to ensure better allocation of the Group's financial resources. Should there be any material changes to the use of such proceeds, the Group will fully comply with the relevant requirements under the GEM Listing Rules as and when appropriate.

MAINTAINING THE LISTING STATUS OF AGL

Elite Side intends that AGL will remain listed on GEM after the close of Offers and does not intend to exercise the power of compulsory acquisition. Each of Elite Side and AGL will undertake to the Stock Exchange to take appropriate steps as soon as practicable following the close of Offers to ensure that not less than 25% of the issued Shares will be held by the public.

If the Stock Exchange believes that (i) a false market exists or may exist in the Shares; or (ii) there are too few Shares in public hands to maintain an orderly market, then it will consider exercising its discretion to suspend trading in the Shares.

If AGL remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets by AGL. Under the GEM Listing Rules, the Stock Exchange has the discretion to require AGL to issue a circular to its shareholders irrespective of the size of the proposed transactions, particularly when such proposed transaction represents a departure from the principal activities of AGL. The Stock Exchange also has the power pursuant to the GEM Listing Rules to aggregate a series of transactions and any such transactions may result in AGL being treated as if it were a new listing applicant and subject to the requirement for new applicants as set out in the GEM Listing Rules.

PROPOSED CHANGE OF BOARD COMPOSITION OF AGL

Currently, the Board comprises three executive Directors and two independent non-executive Directors. Elite Side has no intention to substantially change the senior management of the Group to ensure a smooth transition. According to the Sale and Purchase Agreement, except for Mr. Cheung Ka Kin, an executive Director, who will resign from the Board and such resignation will take effect on the earliest date permitted under the Takeovers Code, all other Directors will remain on the Board. Elite Side intends to nominate the persons set out below as executive Directors and such appointment will be subject to the approval of the Stock Exchange and will not take effect earlier than the date of posting of the offer document subject to full compliance with the Takeovers Code.

Set out below are the brief details of the proposed executive Directors to be nominated by Elite Side:

Mr. Chu, aged 68, is currently the managing director of Mitsa (HK) Ltd. and director of Mitsa Group. Mitsa (HK) Ltd. was established by Mr. Chu in 1978 and engaged in paper marketing, and is the sole agent for the Asia-Pacific region for a number of paper factories in Europe. Prior to establishment of Mitsa (HK) Ltd., Mr. Chu also has experience in freight forwarding and chemical engineering. Mr. Chu graduated from the Chinese University of Hong Kong majoring in business management.

Mr. Clarence Lo, aged 43, is currently a fellow member of the Hong Kong Society of Accountants and Chartered Association of Certified Accountants.

He has over 19 years of extensive experience in auditing, finance and accounting and previously worked for listed companies and multinational corporations in Hong Kong. Mr. Lo graduated from the Hong Kong Polytechnic University with a master of science degree in management studies.

Although the above persons have no direct experience in engaging in the business of the Group, both Mr. Chu and Mr. Lo, has extensive experience in management, business development and strategic planning. Both of them will be responsible for the overall strategic and business development, policy making and administration of the Group, while Mr. Chan will continue to be responsible for overseeing and supervising the research and development and product development of the existing business of the Group.

Elite Side also intends that Mr. Clarence Lo be appointed as the compliance officer, company secretary and qualified accountant of AGL following his appointment to the Board.

The sole director of Elite Side believes that the aforesaid proposed change in the composition of the Board will not have any adverse and material impact on the business operations of the Group.

GENERAL

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of this announcement or such later date as the Executive may approve, Elite Side is required to despatch the offer document containing the terms and conditions of the Offers, the form of acceptance and transfer of the Shares to the shareholders of AGL as well as the form of acceptance of the outstanding Options to the holders of Options. AGL will send the offeree board circular in relation to the Offers to the shareholders of AGL and the holders of Options in accordance with the Takeovers Code. Elite Side and AGL will use all reasonable endeavours to combine the aforesaid offer document with AGL's offeree board circular so that a composite offer and response document can be posted.

Trading in Shares on GEM was suspended with effect from 9:30 a.m. on 11th December 2003 at the request of AGL pending the release of this announcement. Application has been made by AGL for the resumption of trading in Shares on GEM with effect from 9:30 a.m. on 18th December 2003.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“AGL” or the “Company”	AGL MediaTech Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“business day”	any day (other than Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Board”	the board of Directors
“Completion”	completion of the Sale and Purchase Agreement in accordance with its terms
“Consideration”	HK\$10.56 million payable for the Sale Shares under the Sale and Purchase Agreement
“Directors”	the directors of the Company
“Elite Side”	Elite Side Profits Limited, an investment holding company incorporated in the British Virgin Islands with limited liability, and the entire issued share capital of which is wholly and beneficially owned by Mr. Chu, who is also the sole director of Elite Side
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	AGL and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a licensed corporation to carry on business in types 4 and 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Kingston Securities”	Kingston Securities Limited, a deemed licensed corporation to carry on business in types 1, 4, 6 and 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Incu”	INCU Corporate Finance Limited, a licensed corporation to carry on business in type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Mr. Chan”	Mr. Chan Tik Yuen, the founder, chairman and executive director of AGL. He was also deemed to have control of AGL prior to Completion under the Takeovers Code
“Mr. Chu”	Mr. Chu Yen Ling, the sole shareholder and director of Elite Side
“Offers”	the Share Offer and Option Offer
“Option(s)”	options(s) granted to senior management of the Group under the Pre-IPO Share Option Scheme which remain outstanding as at the date of this announcement, entitling the holders thereof to subscribe for an aggregate of 29,482,756 new Shares
“Option Offer”	the mandatory unconditional cash offer for all outstanding Options to be made by Kingston Securities on behalf of Elite Side in accordance with the Takeovers Code
“Placees”	placees of the Placing Shares

“Placing Agreement”	the conditional placing agreement dated 10th December 2003 and entered into between the Vendor and Kingston Securities in relation to the placing of 96,000,000 Placing Shares to independent places
“Placing Shares”	an aggregate of 96,000,000 Shares beneficially owned by the Vendor to be placed to independent third parties not connected with AGL, Elite Side, their respective directors, chief executive, substantial shareholders or management shareholders or any of their respective subsidiaries or any of their respective associates pursuant to the Placing Agreement
“Pre-IPO Share Option Scheme”	the share option scheme adopted by AGL on 26th October 2002
“Prospectus”	the prospectus of AGL dated 22nd November 2002
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10th December 2003 and entered into between the Vendor and Elite Side in relation to the sale by the Vendor and the purchase by Elite Side of the Sale Shares
“Sale Shares”	an aggregate of 264,000,000 Shares acquired by Elite Side from the Vendor pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.01 each in the share capital of AGL
“Share Offer”	the mandatory unconditional cash offer for all the issued Shares not already owned by Elite Side or parties acting in concert with it at HK\$0.04 per Share to be made by Kingston Securities on behalf of Elite Side in accordance with the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”

The Hong Kong Code on Takeovers and Mergers

“Vendor”

City Pacific Ventures Limited, a company incorporated in the British Virgin Islands which held approximately 75% of the entire issued share capital in AGL immediately prior to Completion. The Vendor is wholly owned by Joy Ventures Limited as trustee of The WCY Unit Trust, all but one unit of which are beneficially owned by The CNH Trust. The CNH Trust is a discretionary trust and the discretionary objects of which are family members of Mr. Chan and Mr. N.H.Chan (the father of Mr. Chan) including Ms. Han Seung A (the spouse of Mr. Chan), Ms. Wong Cheung Yun (the mother of Mr. Chan) and Ms. Chan Shiu Shu (the daughter of Mr. Chan). The remaining one unit of The WCY Unit Trust is held by Ms Wong Cheung Yun as protector for the beneficiaries who are Ms. Han Seung A and Ms. Chan Shiu Shu.

By order of the board of
Elite Side Profits Limited
Chu Yen Ling
Sole Director

By order of the board of
AGL MediaTech Holdings Limited
Chan Tik Yuen
Chairman and Chief Executive Officer

Hong Kong, 17th December 2003

The sole director of Elite Side accepts full responsibility for accuracy of the information contained in this announcement (other than that in relation to the Vendor and the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than in relation to the Vendor and the Group) the omission of which would make any statement in this announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to Elite Side) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than in relation to Elite Side) the omission of which would make any statements in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for at least 7 date of its posting.