

**CHINA AGROTECH HOLDINGS LTD :
FROM A GEM, IT GRADUATES TO MAIN BOARD**

After about 2 years of one disappointment after another, Management of China Agrotech Holdings Ltd (Code: 8011, The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd) determined to kiss The GEM goodbye, once and for all, and try to better itself by being listed on the Main Board.

This, in essence, is the December 14, 2001, 200-Page Document in respect of the Introduction of the Entire Issued Share Capital of the Company.

China Agrotech will, henceforth, be known as Stock Code 1073, the Main Board of The Stock Exchange of Hongkong Ltd.

The application for a listing on the Main Board and the delisting from The GEM was, first, announced on October 22, 2001, with approval, granted on December 12, 2001.

It was a first for any GEM-listed company, and a slap in the face for that speculative marketplace, which has the unenviable reputation of being the worst-performing market in the world.

The main trouble with being a member of The GEM, so to speak, is that the decent companies have to suffer alongside the '*rubbish*' companies that have been permitted to be listed over the past few years due to their being able to comply with the rules, governing a listing to The GEM.

The official reasons, given for China Agrotech to seek and obtain a listing in the Main Board, are, inter alia: '*... The Directors consider that a Main Board Listing may better reflect the profile of the Group and is expected to be beneficial for the future development of the Group. Accordingly, it is proposed that the listing of the Shares on GEM be withdrawn.*'

The logical deductions, which may be drawn from the above official statement, are:

1. The GEM did not reflect, accurately, if at all, '*the profile of the Group*'; and,
2. The Group may (or will) be hampered in '*the future development*' if it maintains a listing on The GEM.

In the case of China Agrotech, it would be difficult to find fault with the Company's logic because, despite its enviable record of profits over the past few years, it has never been the '*darling*' of shareholders of The GEM; and, it has rarely made it to the Most Active List.

The Business of China Agrotech

China Agrotech is engaged in '*the provision and sales of DCPTA-based* regulatory-type plant growth regulators (or PGRs) in the PRC* (the People's Republic of China) *and trading of pesticides, fertilisers and other agricultural resources products sourced from other manufacturers in the PRC through the agricultural resources supermarket stores set up by the Group.*' (Page One of the Listing Document)

* DCPTA is a synthetically produced polyamine, which is the only category of polyamines that has, so far, been commercially developed for agricultural use, according to Page 12, Glossary of Technical Terms, in the Introduction Document.

This Company only started commercial production of PRGs in 1997 in Xiamen, Fujian Province, the PRC, and it would appear that, since the inception, it has been something of a success story in its field.

Today, China Agrotech boasts of operating 44 agricultural resources supermarkets in Fujian.

In the past 3 Financial Years, the Company's growth has been nothing less than spectacular, as the following table ... [CLICK TO ORDER FULL ARTICLE](#)

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