

**AGL MEDIATECH HOLDINGS LTD :
IF YOU THINK THAT SADDAM HUSSEIN HAS CHUTZPAH, READ THIS !**

It is a record for the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC): An Initial Public Offering is charged 7 percent by its Placing Underwriters – Kingston Securities Ltd and South China Securities Ltd.

South China Capital Ltd, which is associated with South China Securities and was the Sponsor of this flotation, also, received an Advisory Fee and a Documentation Fee.

Totally, \$HK8 million was spent on getting this company to market.

That amount of money, represented about 27 percent of the gross proceeds, raised in this IPO – Initial Public Offering.

But, considering the quality of the company that these 2 Placing Underwriters and the Sponsor were trying to flog, perhaps, they were entitled to the relatively large fees.

The company is AGL MediaTech Holdings Ltd, which was listed on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd on November 22, 2002.

AGL MediaTech Placed a total of 120 million, one-cent Shares at a Premium of 24 cents per Share.

Of that number of Shares, 80 million Shares were New Shares, while 40 million Shares were Sale Shares.

The Sale Shares were those, formerly, being the property of The CNH Trust, a discretionary trust that had been established by Mr Chan Tik Yuen, the Founder of AGL MediaTech and the present Chairman.

So, Mr Chan Tik Yuen took home about \$HK7.34 million – he had to pay one third of the \$HK8-million costs, due to the South China Group of Companies and Kingston Securities' slice of the AGL MediaTech 'cake' – while the Company that he founded ended up with about \$HK14.66 million, net of all expenses.

Considering that, in truth, AGL MediaTech has never done anything of any great shakes, and, in truth, has never, really, earned even one crust of bread, one could say that the Placing Underwriters and the Sponsor did a bang-up job, all things considered.

TARGET notes that this Company was so poor, at the time that it decided to try for a listing on The GEM, that it needed to borrow money from its Chairman in order to fund the concept of tapping the investing public.

This is stated at Page 135 of the Prospectus:

'At 31st October, 2002, the Group had aggregate banking facilities of approximately HK\$2,000,000 which were secured by a fixed charge on a bank deposit of HK\$2,000,000 of Mr. Chan (Tik Yuen).

'The Group utilised these banking facilities to pay the listing expenses. Immediately upon listing (on The GEM), the Group will settle all the outstanding indebtedness under these banking facilities and cancel these banking facilities, and the securities provided by Mr. Chan will be released.'

The Business of AGL MediaTech

AGL MediaTech describes itself as *'being one of the on-line rich media and content distribution solution providers in Hong Kong.'* (Page 83)

Its business focus is said to be in developing products and technologies for on-line rich media and content distribution, using the tools or solutions developed by it.

(Rich Media Content: Contents which include one of the elements of static images, slide shows, sound clips, music, animations, dynamic information and movies)

The history of this Company may be traced back to March 8, 2000 when HK Concepts Company Ltd was founded by Mr Chan Tik Yuen and Mr Chan Ngan Hoi, the last-named gentleman, being the father of Mr Chan Tik Yuen.

The Chans and 3 other shareholders started the ball rolling and, since the Company first saw the light of day, it has managed to lose money, in real terms.

The Accountants' Report, located at Page 168 of the Prospectus, would suggest that TARGET is wrong to state that this Company has lost money since it was founded, however, TARGET will make its case to validate its determination – hold onto your knickers, Mr Sponsor.

First the Combined Income Statements ... [CLICK TO ORDER FULL ARTICLE](#)

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.

If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to editor@targetnewspapers.com or targnews@hkstar.com. TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.