

TARGET

Intelligence Report

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BLUE MOON GROUP HOLDINGS LTD: THIS COMPANY HAS ALL THE APPEARANCES OF BEING A LONG-TERM WINNER

It might mean nothing, of course, but it just might be indicative to things to come: In respect of the 2019 Financial Year, ended December 31, the Chief Executive Officer of Blue Moon Group Holdings Ltd (藍月亮集團控股有限公司) (Code: 6993, Main Board, The Stock Exchange of Hongkong Ltd) awarded himself \$HK20,235,000, equivalent to \$HK1,686,250.00 per month.

This take-home pay of \$HK20,235,000 comprised Basic Salary and Allowances, \$HK6,502,000, Discretionary Bonus, \$HK13,715,000, and Employer's Contribution to (the) Retirement Benefit Scheme, \$HK18,000.

In the 2018 Financial Year, Mr Luo Qiu Ping (羅秋平), the Chief Executive Officer, awarded himself the seemingly paltry sum of \$HK995,000, equivalent to \$HK82,917 per month, being Basic Salary and Allowances – and no other perquisites were even given a mention.

The take-home pay of Mr Luo Qiu Ping in respect of the 2019 Financial Year, therefore, was a whopping increase, Year-On-Year, of 1,933.67 percent!

By the way, the wife of Mr Luo Qiu Ping is Ms Pan Dong (潘東), who, via ZED Group Ltd, a company, domiciled in the Independent State of Samoa, the entire Issued and Fully Paid-Up Share Capital of which is beneficially owned by Ms Pan Dong, is deemed to have a direct beneficial equity interest in Blue Moon Group Holdings Ltd, amounting to 77.17 percent.

The Initial Public Offering (IPO) Of Blue Moon Group Holdings Ltd

Senior Management of Blue Moon Group Holdings Ltd caused to have published and disseminated in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**, a Global Offering Prospectus on Friday, December 4, 2020.

The Indicative Offer Price Per Share in respect of the total number of Offer Shares, being 747,126,500 Shares, was set at the low of \$HK10.20, rising to a high of \$HK13.16.

Investors of the HKSAR were offered the opportunity to subscribe to 74,713,000 Offer Shares (the HKSAR Offer Shares tranche) and International Investors – Institutional

Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities in which this class of investors beneficially and legally held equity control – were induced to subscribe to 672,413,500 Offer Shares (the International Offer Shares tranche).

On Tuesday, December 15, 2020, Management of Blue Moon Group Holdings Ltd caused to make an Announcement as to the Offer Price and Allotment Results.

This Announcement stated, inter alia, that the Offer Price Per Share had been struck at \$HK13.16 – the highest level of the Indicative Offer Price Per Share range – and that Management anticipated, netting approximately \$HK9,576 million from the Global Offering.

With regard to the HKSAR Offer Shares tranche, one was informed that it had *‘been significantly over-subscribed’*, with a total of 454,743 valid applications, having been received by Management for a total of 22,513,300,000 HKSAR Offer Shares, representing about 301.33 times the 74,713,000 Offer Shares, initially available.

As for the International Offer Shares tranche, this Announcement stated that it had been over-subscribed, *‘representing approximately 12 times the total number of Offer Shares, initially available under the International Offering.’*

At Page Nine of this Announcement, one was told as to how the net proceeds were presently intended to be utilised:

- Approximately, 35.60 percent, that is about \$HK3,409 million, *‘is expected to be used to finance our business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of our laundry services’*;
- Approximately, 52.40 percent, that is about \$HK5,021 million, *‘is expected to be used to raise our brand awareness, further strengthen our sales and distribution network and increase our product penetration’*;
- Approximately, 10.00 percent, that is about \$HK958 million, *‘is expected to be used as our working capital and for other general corporate purposes’*; and,
- Approximately, two percent, that is about \$HK188 million, *‘is expected to be used to enhance our research and development capabilities.’*

The History And Business Of Blue Moon Group Holdings Ltd

According to Page 65 of the Global Offering Prospectus of Blue Moon Group Holdings Ltd, the history of this Company could be traced back to 1992 *‘when the first “Blue Moon (藍月亮)” brand product was launched.’*

This first Blue Moon brand product was the Blue Moon Enhanced Kitchen Cleaner, one was informed at this page.

About eight years later, the Blue Moon Liquid Soap was marketed.

Two years later, that is in the year, 2002, Management established its first production base in Guangzhou (廣州), described by the HKSAR Government as being a sprawling port city, northwest of the HKSAR, on the Pearl River.

By November 28, 2020, Blue Moon Group Holdings Ltd could boast of having four production bases, located at Guangzhou, Tianjin (天津), Kunshan (昆山) and Chongqing (重慶).

By this time, the Company's products 'were sold in all provinces of China,' it was claimed in the ... [CLICK TO ORDER FULL ARTICLE](#)

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