

**G AND M HOLDINGS LTD:
THIS COMPANY IS BEHOLDEN
TO SUN HUNG KAI PROPERTIES LTD
FOR NEARLY 70 PERCENT OF ITS BREAD AND BUTTER**

A one-horse race is an idiom that is generally accepted to represent the concept of a race or competition when only one competitor has the only real chance of coming in first.

On scanning the Share Offer Prospectus of G and M Holdings Ltd () (Code: 6038, Main Board, The Stock Exchange of Hongkong Ltd), the above idiom takes on a slightly different meaning, however.

This is because Management of G and M Holdings Ltd is reliant, to a very great extent, on the custom of just one company: Sun Hung Kai Properties Ltd () (Code: 16, Main Board, The Stock Exchange of Hongkong Ltd).

In fact, during the past three Financial Years, ended December 31, 2016, Revenues, obtained in respect of contracts that emanated from Sun Hung Kai Properties Ltd and or its subsidiaries or affiliates, swelled the coffers of G and M Holdings Ltd, very materially.

By this medium's calculations, Revenues, obtained from the Sun Hung Kai Properties's Group of Companies, represented, on average, about 67.60 percent, annually.

One may look upon this situation in a number of different ways, no doubt, but in this medium's opinion, from the perspective of Senior Management of G and M Holdings Ltd, it should be considered a very dangerous position.

And, taking this matter a little further, it would be considered a very dangerous position for just about any company to find itself because, inter alia, one material miscalculation of any sort, one petty dispute with the Management of Sun Hung Kai Properties Ltd, or one substantial disagreement with Management of Sun Hung Kai Properties Ltd could well find M and G Holdings Ltd, holding onto the short end of the stick.

The Initial Public Offering (IPO) Of G and M Holdings Ltd

G and M Holdings Ltd published and disseminated its Share Offer Prospectus on May 25, 2017.

The Company Offered a total of 250 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 40 cents to a high of 42 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 25 million Shares and Institutional and/or Corporate Investors were Offered 225 million Shares via Share Placements.

On June 12, 2017, Management announced that the Offer Price Per Share had been struck at 41 cents and that the Company estimated that it would net about \$HK76.50 million from this flotation.

The Public Offer tranche had seen HKSAR Investors dive in with valid applications for Shares of this Company, representing about 742.30 times the number of Shares on Offer.

As for the Placing Share tranche, Management stated that the 225 million Shares had been '*moderately over-subscribed*'.

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