

**M AND L HOLDINGS GROUP LTD:
MANAGEMENT HAS NOT PITCHED THIS IPO
JUST TO NET \$HK13.30 MILLION, AFTER EXPENSES**

It would appear, quite likely, that there is but one direction for the share price of M and L Holdings Group Ltd: Down ... down ... down.

There is a number of reasons that **TARGET** () has made this prognostication, notwithstanding the fact that Management had stated, definitively, in the Company's Placing and Public Offer Prospectus, dated June 30, 2017, that potential investors should be prepared for the worst: That the Net Profit shall be '*significantly affected*' in respect of the Current Financial Year, ending December 31, 2017.

On scanning the financials of this Company along with the above statement in respect of the 2017-Year's Bottom Line, and considering the other intelligence, gleaned from the Company's 457-Page Share Offer Prospectus, it makes one come to the incontrovertible conclusion that there are far-better investments than purchasing the scrip of this Company.

The Initial Public Offering (IPO) Of M And L Holdings Group Ltd

The Placing and Public Offer Prospectus of M and L Holdings Group Ltd () (Code: 8152, The Growth Enterprise Market [the **GEM**], The Stock Exchange of Hongkong Ltd) was published and disseminated on June 30, 2017.

In this Prospectus, Management Offered a total of 150 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 40 cents to a high of 50 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 15 million Shares, while the remaining 135 million Shares were destined to be sold by Placements to International Investors, such as institutions, professional investors and/or well-heeled speculators.

On July 20, 2017, Management announced that the Offer Price Per Share had been struck at 47 cents and that it was estimated that the Company would net about \$HK41.80 million from this cash-raising exercise.

The Placing tranche of 135 million Shares, one was told, had been '*moderately over-subscribed*' and HKSAR Offer tranche of 15 million Shares had been 6.20 times (92.94 million Shares) over-subscribed.

At Pages 277 and 278 of the Share Offer Prospectus, one was told as to how the net proceeds, derived from this IPO, would be apportioned:

1. Approximately, \$HK17.14 million, that is about 41.00 percent of the net proceeds, '*will be used to further develop our fabricated construction steel works and equipment business in the PRC, including the set up of our fabricated construction steel factory in the PRC, acquiring the required machinery and equipment, the recruitment of one sales manager, one plant manager and six workers*';
2. Approximately, \$HK14.59 million, that is about 34.90 percent of the net proceeds, '*will be used to acquire and/or partly finance the expansion of our fleet of*

specialised construction machinery and equipment for leasing and/or trading’;

3. Approximately, \$HK5.89 million, that is about 14.10 percent of the net proceeds, *‘will be invested to expand our repair and maintenance services in the PRC for our tunnelling business’*; and,
4. Approximately, \$HK4.18 million, that is about 10.00 percent of the net proceeds, *‘will be assigned for general working capital purposes of our Group’*.

Management of M and L Holdings had agreed to a commission of six percent to be paid to Aristo Securities Ltd (), in accordance with the Public Offer Underwriting Agreement, and so, along with other listing expenses – professional fees, legal fees, printing fees, etc – the total amount of money, paid out in floating this Company on the secondary equity market of the HKSAR amounted to about \$HK28.50 million.

That figure of \$HK28.50 million represented about 68.18 percent of the Net Proceeds, derived from the IPO, and about 40.43 percent of the Gross Proceeds from the sales of the 150 million Shares.

The ... [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. **TARGET**
does not guarantee to publish readers' views, but reserves the right so to do subject to the
laws of libel.*