

**MAOYAN ENTERTAINMENT:**  
**MANAGEMENT SPENDS INVESTORS' MONEY AS FAST AS**  
**DOES A HOT KNIFE SLICE THROUGH SOFT BUTTER**

After scanning the copious flowery statements, contained in the 640-Page, Global Offering Prospectus of Maoyan Entertainment () (Code: 1896, Main Board, The Stock Exchange of Hongkong Ltd), one discovers that the waffle, contained in many of the pipe dreams of Management, pipe dreams that have not been too carefully embedded in this tome, were just that, waffle: They had been, obviously, designed in attempts to obfuscate the fact that this Company relies, extremely heavily, on selling tickets to films, being exhibited in cinemas in the People's Republic of China (PRC).

At Appendix I-58 (Page 474) of the Global Offering Prospectus of Maoyan Entertainment, there is the following table that requires no extrapolation:

	<u>Year ended December 31,</u>			<u>'Nine months ended</u> <u>September 30,</u>	
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2018</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Unaudited)</i>				
Online entertainment ticketing	594,486	960,059	1,490,037	985,423	1,831,555
Entertainment content services	—	337,299	852,299	410,948	910,253
E-commerce services	1,386	15,470	127,229	87,625	160,339
Advertising services and others	<u>866</u>	<u>64,684</u>	<u>78,417</u>	<u>50,597</u>	<u>160,185</u>

<i>Total revenue</i>	<u>596,738</u>	<u>1,377,512</u>	<u>2,547,982</u>	<u>1,534,593</u>	<u>3,062,332</u>
----------------------	----------------	------------------	------------------	------------------	------------------

## **The Initial Public Offering (IPO) Of Maoyan Entertainment**

The Global Offering Prospectus of Maoyan Entertainment was published and disseminated in the Hongkong Special Administrative Region (HKSAR) of the PRC on January 23, 2019.

The Company Offered a total of 132,377,000, \$US0.00002 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK14.80 to a high of \$HK20.40.

Investors of the HKSAR were Offered 13,237,800 Shares (the HKSAR Share Offer tranche) and International Investors – Qualified Institutions, Professionals and Well-Heeled Individuals/Corporate Entities – were Offered 119,139,200 Shares (the International Share Offer tranche).

On February 1, 2019, Management reported that the Offer Price Per Share had been struck at the lowest level of the Indicative Offer Price, to wit, \$HK14.80.

The HKSAR Share Offer tranche, one was told in this announcement as to the Offer Price Per Share and the Allotment Results, had been ‘*moderately over-subscribed*’; the International Share Offer tranche had, also, been ‘*moderately over-subscribed*’.

The Net Proceeds from the IPO were estimated to have been about \$HK1,823.70 million, Management stated in this Announcement.

At Pages 10 and 11 of the Announcement, it was stated as to how the net proceeds were expected to be allocated:

1. Approximately, 30 percent, that is about \$HK547.10 million, ‘*is expected to be used for funding the enhancement of our integrated platform capabilities to better serve users and business partners, by enriching content offerings and strengthening our services, expanding user reach, enhancing user engagement and reinforcing offline resources*’;
2. Approximately, 30 percent, that is about \$HK547.10 million, ‘*is expected to be used for research and development as well as technology infrastructure to enhance our technological and data analytical capabilities and capacity*’;

3. Approximately, 30 percent, that is about \$HK547.10 million, *'is expected to be used for funding the potential investments and acquisitions which we may seek from time to time to expand our business operations, including our proposed acquisition of a minority stake in Huanxi Media (Huanxi Media Group Ltd [])'*; and,
4. Approximately, 10 percent, that is about \$HK182.40 million, *'is expected to be used for working capital and general corporate purposes'*.

It was noted by this medium that, as at September 30, 2018, the Company had cash and cash equivalents, amounting to about 1.21 billion renminbi (about \$HK1.39 billion). (Appendix I-6)

### **The Businesses Of Maoyan Entertainment**

In 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](mailto:editor@targetnewspapers.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*