

**DUIBA GROUP LTD:**  
**CALL IT WHAT YOU WILL, BUT THIS MEDIUM PREFERS**  
**TO VIEW THIS COMPANY THROUGH THE MONOCLE**  
**OF A ‘START-UP ENTERPRISE’**

After slicing through all the waffle, that which is the bread winner for Duiba Group Ltd () (Code: 1753, Main Board, The Stock Exchange of Hongkong Ltd) is the Gross Revenue, derived from advertising.

At the First Paragraph of Page One of the Global Offering Prospectus of this Company, one was told, under the heading, **‘OUR MISSION’**:

*‘Our mission is to become the preferred business partner of enterprises in their operations through providing them with full-cycle services in user acquisition, retention and monetization.’*

One might be tempted to ask, at this point:

*‘What in the world does all that waffle mean?’*

In the Second Paragraph of this Page, one was told that the Company is *‘a user management SaaS provider for online businesses ...’*.

‘SaaS’ is defined in the Global Offering Prospectus, thusly: *‘Software as a Service.’*

According to the definition of SaaS, copied from the Internet, SaaS is defined as follows:

*‘Software as a service (SaaS) is a model for the distribution of software where customers access software over the Internet. In SaaS, a service provider hosts the application at its data center and a customer accesses it via a standard web browser.’*

At this point, one may be able to have little idea as to the business of this Company.

But only a little, however.

In the Third Paragraph of Page One, one was told that this Company’s interactive advertising business was launched in 2015, making it just four years old – and its Revenue, in respect of the 2018 Financial Year, ended December 31, was in excess of 1.13 billion renminbi (about \$HK1.32 billion).

Ergo, regardless of the copious uses of waffle, Management of Duiba Group Ltd must be doing something ... and that *‘something’* that is, in a word: Wondrous!

### **The Initial Public Offering (IPO) Of Duiba Group Ltd**

Duiba Group Ltd published and disseminated its Global Offering Prospectus on Wednesday, April 24, 2019.

The Company Offered a total of 111,111,200, \$US0.00001 Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK6.00 to a high of \$HK8.10.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) were Offered the opportunity to subscribe to 11,111,200 Shares and International Investors – Institutions, Professional Investors and select Well-Heeled Investors, along with any and all corporate entities under their control – were Offered the remaining 100 million Shares.

On Monday, May 6, 2019, Management announced that the Offer Price Per Share had been struck at \$HK6.00, the lowest level of the Indicative Offer Price Per Share.

In the official announcement as to the Offer Price Per Share as well as the Allotment Results in respect of the Shares under the Global Offering, one was informed that the Company anticipated, netting about

\$HK586.60 million from the Global Offering.

This amount of money, one was told, would be utilised in accordance with the '**USE OF PROCEEDS**' as stated in the Global Offering Prospectus at Pages 242 through to 245:

1. Approximately, 37 percent, that is about \$HK217.04 million, '*is expected to be used for investing in the enhancement of our research and development function. We intend to use such proceeds (i) to enhance the research and development function for each of our lines of business; and (ii) to upgrade our research and development capabilities generally*';
2. Approximately, 25 percent, that is about \$HK146.65 million, '*is expected to be used for investing in the enhancement of our sales and marketing function. We intend to use such proceeds to enhance the sales and marketing function for each of our lines of business*';
3. Approximately, eight percent, that is about \$HK46.93 million, '*is expected to be used for investing in the enhancement of our operational function. We intend to use such proceeds (i) to enhance the operational function for each of our lines of business; and (ii) to improve our equipment generally*';
4. Approximately, 20 percent, that is about \$HK117.32 million, '*is expected to be used for the investment into and acquiring companies and businesses that are relevant or complementary to our business and technologies, in order to support growth strategies*'; and,
5. Approximately, 10 percent, that is about \$HK58.66 million, '*is expected to be used for working capital and other general corporate purposes*'.

### **The History And Business Of Duiba Group Ltd**

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