

TARGET

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S A T U R D A Y

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**AM GROUP HOLDINGS LTD:
MANAGEMENT DID SUGGEST THAT
PROFITS WOULD WANE IN 2019
... AND MANAGEMENT WAS SPOT ON**

On scanning the Share Offer Prospectus of AM Group Holdings Ltd, dated June 13, 2019, the innuendo was quite apparent: The Net Profit Attributable to Shareholders in respect of the 2018-2019 Financial Year, ended June 30, 2019, shall be lower than that of the previous Financial Year.

AM Group Holdings Ltd is engaged in the provision of online marketing services, primarily in The Republic of Singapore.

This Company is about 14 years old and, on scanning the Consolidated Profit and Loss Account in respect of the 42-month, track-record period, one cannot be overawed at its financials.

The Initial Public Offering (IPO) Of AM Group Holdings Ltd

Senior Management of AM Group Holdings Ltd () (Code: 1849, Main Board, The Stock Exchange of Hongkong Ltd) caused to have published and disseminated its Share Offer Prospectus on Thursday, June 13,

2019.

Investors of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** were Offered 20 million Shares (the HKSAR Shares Offer tranche) and, presumably, International Investors (Institutional Investors, Professional Investors and select, Well-Heeled Investors, including any corporate entity in which they hold equity control) were given the opportunity to subscribe to 180 million Offer Shares via Share Placements (the Placing Shares Offer tranche).

The 200-million, above-mentioned Shares were Offered at the Indicative Offer Price Per Share, ranging from a low of 65 (Hongkong) cents to a high of 70 (Hongkong) cents.

On Tuesday, June 25, 2019, Management announced that the Offer Price Per Share had been struck at 65 cents, the lowest level of the Indicative Offer Price range.

One was told that the HKSAR Shares Offer tranche had been '*moderately over-subscribed*', equivalent to about 9.03 times the 20 million Shares, initially available in this tranche.

As for the Placing Shares Offer tranche, it had been '*under-subscribed*', equivalent to about 0.89 times the total number of 180 million Shares, initially available in this tranche.

The June 25, 2019 Public Announcement with regard to the Offer Price and the Allotment Results stated that it was anticipated that the Company's coffers would be enriched by the sum of about \$HK98 million from the Share Offer.

At Page Nine of this Announcement, Management stated as to how the net proceeds of the Share Offer were intended to be utilised:

1. Approximately, \$HK62.00 million, that is about 63.30 percent of the net proceeds, '*will be used to strengthen the Group's technological infrastructure*';
2. Approximately, \$HK27.90 million, that is about 28.50 percent of the net proceeds, '*will be used for the acquisition of a website development and hosting company*';
3. Approximately, \$HK5.60 million, that is about 5.70 percent of the net proceeds, '*will be used to establish a sales office in Johor Bahru, Malaysia*'; and,

4. Approximately, \$HK2.50 million, that is about 2.50 percent of the net proceeds, '*will be used for working capital and other general corporate purposes.*'

The History And Business Of AM Group Holdings Ltd

The history of AM Group Holdings Ltd can be traced back to June 22, 2005, with the incorporation in The Republic of Singapore of Activa Media Private Ltd (referred to at numerous places of the Share Offer Prospectus as, simply, '*Activa Media (S)*').

As stated at Page 84 of the Share Offer Prospectus, this company which, today, is a wholly owned subsidiary of AM Group Holdings Ltd, was incorporated in order that the vision of Ms Teo Li Lian () could be realised, one was informed.

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