

# TARGET

## Intelligence Report

VOLUME XXV No. 109

T U E S D A Y

May 23, 2023

### **AM GROUP HOLDINGS LTD: AND THE BARD SAITH, IN 1598: 'MUCH adoe about NOTHING !'**

Since AM Group Holdings Ltd (秀商時代控股有限公司) (Code: 1849, Main Board, The Stock Exchange of Hongkong Ltd) obtained its listing – which included the Company's entire Issued and Fully Paid-Up Share Capital to be traded on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) – the Company has never been able to set the world on fire, especially in terms of its Bottom Lines.

The Company's listing of its shares on the Main Board of The Stock Exchange of Hongkong Ltd took effect from June 26, 2019, and, since that date, Management has been forced to record that the Company's Annual Profits have slowly, but surely, sunk into the abyss.

And, in respect of the Financial Year, ended June 30, 2022, it was the Company's worst financial Year in respect of the prior, five Financial Years, with the Net Profit Attributable to Shareholders of the Company, being recorded at a measly \$S1,103,000.00, a decrease, Year-On-Year, of about 85.73 percent.

#### **The Business Of AM Group Holdings Ltd**

The business of AM Group Holdings Ltd is engagements of the provisions of online marketing services.

The Company is said to provide online e-commerce platform operations in Singapore, Malaysia, and the PRC, proper, the last-mentioned company, being separate and distinct from the HKSAR of the PRC.

At Page 10 of the 2022 Annual Report, one was informed of the following:

*'Since our establishment in 2005 as one of the earliest players in the field, our service offerings and client base have expanded significantly, allowing us to become one of the market leaders in Singapore and garnering many industry awards and partnerships along the way.'*

*'The Group and its subsidiaries are now primarily engaged in the field of online marketing, including search engine marketing, search engine*

*optimisation, social media marketing, web design and development, web hosting, as well as e-commerce and mobile video streaming services.*

*‘Our services are also based in well-connected, prime business hubs in Asia — Singapore, Malaysia, and the PRC; providing the Group with untapped potential to expand into, and a favourable environment to nurture its growth in.*

*‘Like most industries, the Group had been affected by COVID-19 sweeping across the world in the last two years, as well as supply chain disruptions and soaring global inflation caused by the Ukrainian crisis; and yet, we have remained steadfastly profitable in spite of all the challenges faced.*

*‘This, we believe, is a strong testament to the quality of the Group’s foundations, operations, leadership and foresight; which we will continue to leverage on as we navigate the year ahead.’*

How do the words of that song from the famous musical, ‘*My Fair Lady*’, go:

*‘Words! I’m so sick of words! I get words all day through; First from him, now from you! Is that all you blighters can do?’*

### **The Financials Of AM Group Holdings Ltd**

Senior Management of AM Group Holdings Ltd caused to have published and disseminated its 2022 Annual Report in the HKSAR on or about Thursday, October 27, 2022.

At Page 10 of the 2022 Annual Report, that which bears the nomenclature ‘**MANAGEMENT DISCUSSION AND ANALYSIS**’, under the subhead, ‘**BUSINESS OVERVIEW AND PROSPECTS**’, one was apprised of rather important intelligence that led the path to understanding the Company’s many and varied financial problems.

At Page 11 of the 2022 Annual Report, under the subhead, ‘**RESULTS OF OPERATIONS**’, the following financial statistics appears to tell the tale.

The table below is copied, verbatim, from this Page 11, from which this medium has taken the liberty of having inserted a number of statistics for the benefit of clarity and interpolation:

	For The Financial Year, Ended June 30		Percentage Increase/(Decrease)*
	2022	2021	
	All Figures Are Denominated In \$S'000 (except where otherwise stipulated)		
Revenue	48,218	54,437	(11.42)
Gross Profit	15,552	17,909	(13.16)
Gross Profit Margin*	32.25 percent	32.90 percent	(1.98)
Profit Before Taxation	2,729	11,044	(75.29)
Profit For The Year	1,901	9,420	(79.82)
Net Profit Attributable To Shareholders Of The Company	1,103	7,732	(85.73)
Net Profit Margin*	2.29 percent	14.20 percent	(83.87)

Earnings Per Share	<b>0.10 Singapore cents</b>	1.00 Singapore cents	<b>(90.00 percent)</b>
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\* These are **TARGET**'s calculations.

\*\* The exchange rate of the Singapore dollar vis-à-vis the HKSAR dollar is taken to be:  
 \$S1.00 = \$HK5.81

At Page 14 of the 2022 Annual Report, one was informed that the Company had bank borrowings, amounting to \$S1.90 million, as at June 30, 2022.

At the bottom of Page 14, one learns:

*'Our bank borrowings of approximately S\$1.9 million as at 30 June 2022 were secured against investment property of the Group and guarantee given by the Company. As at 30 June 2022, all of the bank borrowings was denominated in Singapore dollars (30 June 2021: S\$2.0 million was denominated in Singapore dollars). Among all the bank borrowings, 7% was repayable within one year, 6% was repayable more than one year but not exceeding two years, 28% was repayable more than two years but not exceeding five years and 59% was repayable more than five years.'*

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