

**CHINA FAIR LAND HOLDINGS LTD :
A RARE BIRD, INDEED**

The bones of those companies, operating out of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), companies that have attempted, and failed, to engage in successful business pursuits in the PRC, proper, litter the archival room of the Office of The Companies Registry.

So, when one finds an HKSAR company that has a fairly decent record of profits from doing business in the PRC, proper, then one had better look, carefully, at the modus operandi, followed by such an entity.

Because it may turn out that Management of such a company has learned something that could be of immense benefit to its contemporaries.

Such a company appears to be China Fair Land Holdings Ltd, Stock Code 169, Main Board, The Stock Exchange of Hongkong Ltd.

China Fair went public on the Main Board on May 22, 2002, when it Offered 16.80 million New, 10-cent Shares at a Premium of 90 cents per share.

It, also, Placed another tranche of 53.20 million New, 10-cent Shares on the same basis as the Offered shares.

Of the 53.20 million Placed Shares, 14 million of those shares were the former property of the family of the Chairman, Mr So Pang Gen, who took that opportunity to sell a few of his personal shares, pocketing \$HK14 million, gross, along the way.

China Fair is, solely, a property developer in the PRC, proper, concentrating on development projects in the north-eastern and central parts of the country.

It, also, engages, however, in taking capital profits from the sales of part of its land bank, from time to time, the Company's records indicate.

It has been in business since 1989 when Mr So determined to try his luck in Ningbo, a PRC seaport in the eastern region of the country, a city with a human population of about 5.40 million people.

Since those humble beginnings, China Fair has grown into, what is today, a Company with attributable property interests in the PRC at an Open Market Valuation, as at February 28, 2002, of about 659.54 million renminbi (about \$HK613.37 million).

For the past 3 Financial Years, this Company appears to have done moderately well, all things considered.

That is a lot better than quite a number of other HKSAR companies that have tried their luck in the PRC, proper, over the years.

The following table is lifted from the Accountants' Report, contained at Page 145 of the Prospectus:

	Financial Year ended December 31		
	1999	2000	2001

	All Figures are Denominated in \$HK'000		
Turnover	161,445	179,823	256,300
Cost of Sales	(97,342)	(94,418)	(163,095)
Gross Profit	64,103	85,405	93,205
Gain on Disposal of Investment in a Property Development Project	Nil	Nil	8,813
Other Revenue	1,369	1,328	3,038
Distribution Costs	(9,539)	(3,109)	(1,488)
Administrative Expenses	(7,592)	(11,217)	(15,448)
Profit from Operations	48,341	72,407	88,160
Financing Costs	(4,127)	(2,530)	(4,349)
Gain on Disposal of a Subsidiary	Nil	116	Nil
Profit before Taxation	44,214	69,993	83,811
Taxation	(7,916)	(18,031)	(24,540)
Profit before Minority Interests	36,298	51,962	59,271
Minority Interests	(10,718)	(17,274)	(18,079)
Net Profit Attributable to Shareholders	25,580	34,688	41,192

For the Current Year, China Fair has made no forecast as to its likely profits and it, also, has made no commitment in respect of any future dividend payout.

For the first 3 months of this Year, however, the Company has booked Net Profits of ... [CLICK TO ORDER FULL ARTICLE](#)

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