

**DAH CHONG HONG HOLDINGS LTD:  
A FIRST-CLASS COMPANY AND A SURE BET DOWN THE LINE**

One could say that if it is good enough for the likes of Mr Li Ka Shing () and Dr Lee Shau Kee (), 2 of the richest men in the world, controlling Cheung Kong (Holdings) Ltd ([]) (Code: One, Main Board, The Stock Exchange of Hongkong Ltd) and Henderson Land Development Company Ltd () (Code: 12, Main Board, The Stock Exchange of Hongkong Ltd), respectively, and the Japanese giant manufacturing conglomerate of Otsuka Pharmaceutical Company Ltd to subscribe for about \$HK819-million worth of shares in Dah Chong Hong Holdings Ltd () (Code: 1828, Main Board, The Stock Exchange of Hongkong Ltd), then, it should be good enough for most investors.

And, in fact, this medium is very positive about the future of this very substantial trading company.

However, Dah Chong Hong Holdings Ltd has, not exactly, set the world on fire with its Net Profits over the 42 months, ended June 30, 2007.

Further, the forecast Net Profit Attributable to Shareholders for the Financial Year, ended December 31, 2007, is about 21.34 percent higher than the 2006-Year's Net Profit Attributable to Shareholders of about \$HK335.12 million.

In addition, the Bottom Line of the 2006-Year was boosted by about \$HK111.74 million, being the '*Net Valuation Gains on Investment Properties*', as it is called in the Consolidated Income Statements at Appendix I-11 of the Global Prospectus.

Both Messrs Li Ka Shing and Lee Shau Kee are hardly novices at the game of investing in an **Initial Public Offering (IPO)** and, so, the lending of their names as '*Cornerstone Investors*' in this flotation must, therefore, count for something.

Notwithstanding the forecast for the Bottom Line for the 2007-Year, one cannot help but be impressed by the many varied businesses and massive infrastructure of Dah Chong Hong Holdings Ltd.

Because this Company appears, inter alia, to have a partial monopoly in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) in a number of spheres of activity.

**The Flotation**

The Global Offering Prospectus of Dah Chong Hong Holdings Ltd, dated October 4, 2007, stated that the Company was Offering to HKSAR investors, a total of 123.02 million, 15-cent New Shares at a price, not greater than \$HK5.88 per Share.

At the same time, the Company Offered to International Investors, a total of 56.98 million, New Shares on the same basis as the HKSAR Public Offer tranche.

CITIC Pacific Ltd () (Code: 267, Main Board, The Stock Exchange of Hongkong Ltd), the Controlling Shareholder of Dah Chong Hong Holdings Ltd, was the Selling Shareholder of 601.20 million Shares in the Issued and Fully Paid-Up Share Capital of Dah Chong Hong Holdings Ltd, the Prospectus makes only too clear.

CITIC Pacific Ltd, it appears to **TARGET** (), stands to earn about \$HK3 billion from the flotation of Dah

Chong Hong Holdings Ltd therefore, not including the likelihood of the exercise of any Over-Allotment Option, which is likely to bring in another \$HK1.05 billion into the CITIC Pacific coffers.

Dah Chong Hong Holdings Ltd ... [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.*