

**JIAHUA STORES HOLDINGS LTD:
MACAU'S TABLES WOULD HAVE BEEN BETTER BETS
THAN GAMBLING ON THIS COMPANY**

Investors, who subscribed to the Offer Shares in the **Initial Public Offering (IPO)** of Jiahua Stores Holdings Ltd () (Code: 602, Main Board, The Stock Exchange of Hongkong Ltd) in May 2007, might have done much better if they had gone to the Macau Special Administrative Region (MSAR) of the People's Republic of China (PRC) and tried their hands at roulette.

Because, at the odds at 36:One on a roulette wheel, it would have been a better gamble than the likelihood of Jiahua Stores Holdings Ltd, ever coming good.

When Jiahua Stores Holdings Ltd went public on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC, this medium analysed the company and came to the correct conclusion, which became the headline of the report:

**'JIAHUA STORES HOLDINGS LTD:
THIS COMPANY IS UNIMPORTANT, TODAY, AND ITS IS UNLIKELY,
EVER, TO BE AN IMPORTANT OPERATOR'**

Last Wednesday, Jiahua Stores Holdings Ltd announced a '**PROFIT WARNING**'.

The company stated, inter alia, that the departmental store operator '*is expected to record a consolidated net loss for the year ended 31 December 2009 ...*'.

To this medium, this is no great shakes: It had well been expected.

According to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider), Jiahua Stores Holdings Ltd has been on the slippery slopes since the day that it pitched its story with the publication of its IPO Prospectus.

The following statistics are lifted from the database of **TOLFIN**, by permission:

	Financial Year, Ended December 31					Six Months, Ended June 30
	2004	2005	2006	2007	2008	2009
	All Figures Are Denominated In Renminbi'000					
Turnover	581,954	576,171	630,622	829,848	935,067	407,734
Profit	49,981	56,535	56,905	79,117	24,351	8,499

Attributable To Shareholders						
Dividends	Nil	80,000	22,000	22,153	12,139	Nil
Shareholders' Funds	49,965	101,049	47,815	405,922	408,499	404,859

On September 15, 2009, Chairman Zhuang Lu Kun () explained to his shareholders that the reason for the company's declining fortunes was due, inter alia, to:

'The decrease in profit after tax and earnings per share was due to the suffering from direct adverse effect brought about by the global economic tsunami in the Shenzhen region of the PRC, and the decrease in turnover of two of our existing stores upon the reallocation of sales floor area during the period ...'.

Chairman Zhuang Lu Kun ... [CLICK TO ORDER FULL ARTICLE](#)

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