

**MOULIN INTERNATIONAL HOLDINGS LTD :
STAND BY FOR RECORD PROFITS**

Moulin International Holdings Ltd could never be described as having an accepted institutionalised management structure because the publicly listed company is controlled, completely, by the Family of Paterfamilias Ma Bo Kee, the 55-year-old Chairman.

Which is a distinct weakness since it must be difficult, at times, to be objective when the Chairman is forced to make a determination, regarding his kissing kin.

But, be that as it may, with the exception of a number of other criticisms, which are described later in this report, this Company is a winner, without question.

For the Financial Year, ended March 31, 1999, the financial Results were very impressive, but these Results were eclipsed by the publication of the Interim Results to September 30, 1999.

They stated that the Turnover for the first 6 months of the last Year, ended March 31, 2000, was \$HK430.55 million, about \$HK39.48 million, or close enough to 10 percent, ahead of the comparable period in 1998.

The Net Profit Attributable to Shareholders rose, during the period, from the 1998 figure of \$HK103.18 million to the 1999 record (for an Interim, no doubt) of \$HK124.84 million, an increase of about 21 percent.

Impressive to be sure.

This Company is in the business of designing, producing and selling optical products, mainly optical frames.

For the 1999 Financial Year, on a Turnover of \$HK810.61 million, \$HK528.44 million was attributable to the sales of metal-based optical frames, on which sales, the Contribution to the Operating Profit amounted to about \$HK195.44 million.

The Gross Operating Profit from this one division, therefore, was just shy of about 37 percent, and represented about 78.58 percent of the Total Contribution to the Operating Profit.

From the division, making plastic-based, injection-moulded optical frames, the Company recorded a turnover of \$HK126.68 million, on which turnover the Contribution to the Operating Profit was just about \$HK21.54 million, representing a Gross Operating Profit Margin of about 17 percent.

These 2 divisions of Moulin International accounted for nearly 81 percent of the Company's total business, in terms of the volume of activity, and about 87 percent of the Operating Profit.

The areas where the Company's products are sold are North America, about 48 percent, the People's Republic of China (PRC), about 29 percent, the Hongkong Special Administrative Region (HKSAR) of the PRC plus other parts of Asia, about 11 percent, and Europe, about 11.60 percent.

The following is a 3-Year history of the Company, up to March 31, 1999 (the Results for the last Year, ended March 31, 2000, are expected shortly):

	Financial Year ended March 31		
	1999	1998	1997
	<i>(All Figures are Denominated in \$HK'000 unless otherwise stated)</i>		

Turnover	810,606	700,562	500,929
Increase (%)	16	40	35
Operating Profit from Ordinary Activities before Taxation	248,723	206,914	145,864
Increase (%)	20	42	80
Operating Profit to Turnover Ratio (%)	31	30	29
Profit Attributable to Shareholders	226,522	188,588	130,028
Increase (%)	20	45	61
Shareholders' Funds	993,354	825,151	446,327
Increase (%)	20	46	
Current Ratio (Current Assets divided by Current Liabilities) (times)	1.6	2.9	2.6
Turnover Ratio (days)	103	108	124
Return on Total Assets (%)	14.20	13.90	13.40

Interestingly enough, while the Profits Attributable to Shareholders have risen about 74 percent in the past 3 Financial Years, the dividends per share have risen from 3.70 cents in 1997 to 4.20 cents in 1999, an increase of about 13.50 percent in a period of 36 months.

The Interim Dividend was increased from the 1999 Interim of 2 cents per share to 2.20 cents per share, and it will be interesting to see what bonus, if any, is given to shareholders at the Year-end since the Company could well afford to reward its shareholders richly if it so desired.

The reason that TARGET suggests that there could, easily, be a bumper dividend is due to the March 31, 1999 cash position.

According to Page 49 of the 1999 Annual Report, the Current Assets Schedule ... [CLICK TO ORDER FULL ARTICLE](#)

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