

**PACIFIC ANDES INTERNATIONAL HOLDINGS LTD :
THERE ARE BETTER FISH TO FRY
THAN IN THIS COMPANY'S WOK**

What appears to have been somewhat overlooked in the seemingly civilised fracas in the matter of Pacific Andes International Holdings Ltd, acquiring an additional 30-percent stake in Pelican Food Ltd, is that no money has to be changed hands, for some considerable time.

Pacific Andes has 3 years from the date of completion of the acquisition to pay the acquisition price of \$HK63,278,000 to Global Chart Ltd, a private company, beneficially owned by the sons of the family which controls Pacific Andes, a company which is listed on The Stock Exchange of Hongkong Ltd.

But, while Pacific Andes does not have to front up with the acquisition consideration, immediately, it still has to pay to Global Chart an annual interest rate of 10 percent, equal to about \$HK6,327,800 per year.

While it is fair to say that cemeteries, around the world, are full of the bones of companies, which have attempted to do that which Pelican Food is, presently, attempting to do, it is unquestionable, provided that Pelican can deliver, that a Price-Earnings Ratio of about 6.50 times does not appear to be unreasonable.

Pelican, according to the Pacific Andes's announcement, dated July 10, 1999, is engaged in the processing of seafood products and the distribution of food products in the People's Republic of China (PRC).

In addition, Pelican is engaged in the production of processed frozen vegetables; and, has entered into a 30-year term lease for a piece of land, measuring about 3.70 square kilometers, located in the PRC, where it is intended that Pelican will grow, what it terms, '*labor intensive crops such as cauliflower, broccoli and asparagus.*'

Also, this company is '*in the process of setting up its own processing plant for frozen vegetables...expected to be in operation in September 1999 ...*'.

While there appears to be no, or little, justification ... [CLICK TO ORDER FULL ARTICLE](#)