

**QUALITY FOOD INTERNATIONAL LTD:  
CLEARLY, THIS IS A WELL-RUN, ONE-EEL COMPANY**

Quality Food International Ltd, though it is engaged in producing 2 items, only, processed eels and eel feed, is far from being a 'fishy' flotation because this specialised corporate entity appears to be another success story out of the People's Republic of China (PRC).

Such stories are so few and far between (most people drop a bundle of money rather than make a bundle of money) that it is refreshing to learn of an entrepreneur, working on a relatively new idea in the PRC, making a success out of his 'gamble'.

And gamble must have been the only word to describe the idea of starting up this company: Who but a competent and enterprising individual, such as Mr Lam Hau Mei must be, would take the plunge, in 1990, to invest in the idea of starting up an eel-processing plant in the PRC?

Today, looking back on those early beginnings – it was only 9 years ago – he must be laughing, all the way to the bank.

Quality Food is seeking to place 58 million shares and to issue another tranche of 12 million shares in the Hongkong Special Administrative Region (HKSAR) of the PRC at a price of \$HK1 per share.

The Issue Price is a Premium of 90 cents over the Par Value, and 60.60 cents over the Adjusted Net Tangible Asset Value Per Share, which includes the Net Proceeds from this flotation, amounting to about \$HK55 million, or 19.64 cents per share on the basis of the Share Capital, enlarged by this float.

This Company has, during the past 3 Financial Years, spurted ahead, with Net Profits Attributable to Shareholders, rising about 133 percent, from April 30, 1997 to April 30, 1999.

The following is the Trading Records of the Company, taken directly from the Prospectus:

Year Ended April 30 (All Figure Are Denominated In \$HK'000)			
	1997	1998	1999
Turnover	272,171	250,633	351,983
Operating Profits	16,264	28,596	41,784
Net Profit Attributable to Shareholders	13,887	23,106	32,411
Earnings Per Share	6.6 cents	11 cents	15.4 cents

What must strike any worthwhile financial analyst, at this stage, is that the Net Profit Margin of Quality Food is extraordinary high, ranging from 5.10 percent in 1997 to about 9.22 percent in the next few Years.

For the Current Year, ending April 30, 2000, the Company is forecasting a Profit Attributable to Shareholders of 'not less than HK\$49 million'.

This, therefore, means that Quality Food is expecting the Net Profit to rise by about \$HK16.59 million, or about 51.19 percent, for the 2000 Financial Year.

In view of the stated fact that just about all of the Company's processed eels are sold to Japan, ... [CLICK TO ORDER FULL ARTICLE](#)

