



安權控股有限公司
FORTEI HOLDINGS LIMITED

(在百慕達註冊成立之有限公司)

(Incorporated in Bermuda with limited liability)

1996

中期業績報告
Interim Report

INTERIM RESULTS

The Board of Directors of Fortei Holdings Limited (“the Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (“the Group”) for the six months ended 30th June, 1996, together with the comparative figures for the same period in the previous year, are as follows:

	Notes	Six months ended	
		30/6/1996 HK\$'000	30/6/1995 HK\$'000
Turnover		<u>142,899</u>	<u>107,252</u>
Operating Profit (Loss) before taxation		10,832	(2,079)
Taxation	(1)	<u>804</u>	<u>295</u>
Profit (Loss) attributable to shareholders		10,028	(2,374)
Dividend		<u>4,000</u>	<u>—</u>
Profit (Loss) for the period retained		<u>6,028</u>	<u>(2,374)</u>
Earnings (Loss) per share	(2)	<u>2.51 cents</u>	<u>(0.59) cents</u>

Notes:

- (1) Taxation
Taxation represents Hong Kong Profits Tax calculated at 16.5% (1995: 16.5%) on the estimated assessable profits for the period.
- (2) Earnings (loss) per share
The calculation of Earnings (loss) per share for the period is based on the profit attributable to shareholders of HK\$10,028,000 (1995: loss of HK\$2,374,000) and the 400,000,000 (1995: 400,000,000) shares in issue.

INTERIM DIVIDEND

The Board of Directors has declared an interim dividend of 1 cent per share for the six months ended 30th June, 1996 (1995: Nil) to the shareholders whose names appear on the register of members of the Company on 20th September, 1996. Dividend warrants will be despatched on or about 25th September, 1996.

CLOSURE OF REGISTERS

The register of members will be close from 16th September, 1996 to 20th September, 1996 both days inclusive. In order to qualify for the interim dividend, all transfers should be lodged with the Company's Branch Registrars in Hong Kong, Central Registration Hong Kong Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 13th September, 1996.

REVIEW AND OUTLOOK

The Group has been actively expanding its distribution network in the People's Republic of China ("PRC") since 1995 to take advantage of the consumer demand in the market. Such efforts have proved successful in light of the growing popularity of consumer spending in specialty stores or dedicated counters in department stores. As a result, the Group's turnover for the first half of the year was up by 33% compared with the same period last year. The Group was also able to record a profit attributable to shareholders of HK\$10,028,000 for the period against the loss of HK\$2,374,000 a year ago.

The Hong Kong consumer market remained lack lustre during the period. To better utilise its resources, the Group has closed 3 retail stores in Hong Kong which had not performed well and is presently focusing on the profitable ones.

The Group has decided to purchase an office property in Shenzhen as part of its efforts to further penetrate the PRC market. With an area of more than 10,000 square feet, this property will be used as the Group's office in the PRC. The Group is also going to acquire a 55% interest in a garment factory in Baoan, Shenzhen with a view to use the factory as a stable supplier, in addition to outside suppliers, of the Group's products. These two investments involve a total amount of approximately HK\$15,000,000.

In August 1996, the Group signed a licensing contract with an experienced cosmetics importer. Under this contract, the importer is authorised to distribute cosmetics, shampoos and hair conditioners bearing FORTEI brandname in Hong Kong, Macau and the PRC for five years beginning 1st September, 1996. The Group is entitled to receive licensing royalty based on the sales amounts of these products.

The Group has seen an improvement in its results following the new strategy adopted for its PRC operations. With the support of staffs, it will endeavour to achieve better results for all shareholders.

DIRECTORS' INTERESTS IN SHARES

As at 30th June 1996, the interests of the Directors and their associates in the share capital of the Company recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of interests) Ordinance (the "SDI Ordinance") were as follows:

Name of Director	Number of shares	
	Personal interest	Corporate interest
Kong Yun Kan	6,285,700	281,432,600*

* Including 269,428,600 shares which are owned by Hoi Fat Investments (B.V.I.) Limited in which Cowin Enterprises Limited has a 42.26% interest and 12,004,000 shares which are owned by Cowin Enterprises Limited directly. Cowin Enterprises Limited is a company operated by a trustee for the benefit of a trust, the beneficiaries of which are Kong Yun Kan and his immediate family members.

Mr. Kwong Yun Nin was granted options to subscribe for 10,000,000 shares in the Company at an exercise price of HK\$1.28 each. None of the share options granted was exercised during the period.

SUBSTANTIAL SHAREHOLDERS

As at 30th June 1996, the register of substantial shareholders required to be maintained by the Company pursuant to section 16(1) of the SDI Ordinance shows that, other than the interests disclosed above in respect of directors', the Company was not notified of any interest which represents 10% or more of the issued share capital of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

There has been no purchase, sale or redemption of shares in the Company by the Company or any of its subsidiaries during the period.

CODE OF BEST PRACTICE

None of the directors is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30th June, 1996, in compliance with the Code of Best Practice set out in Appendix 14 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited.

By Order of the Board

Kong Yun Kan

Chairman

Hong Kong, 23rd August, 1996