



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)

1999 INTERIM REPORT
中期業績報告

INTERIM RESULTS

The board of directors of Fortei Holdings Limited (“the Company”) announces the unaudited consolidated results of the Company and its subsidiaries (“the Group”) for the six months ended 30th June 1999, together with the comparative figures for the same period in the previous year as follows:

	<i>Note</i>	Six months ended	
		30/6/1999	30/6/1998
		<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover		<u>51,704</u>	<u>63,676</u>
Operating loss from continuing operations before exceptional item		(19,433)	(26,788)
Exceptional item	1	<u>(24,790)</u>	<u>–</u>
Loss from ordinary activities before taxation		(44,223)	(26,788)
Taxation credit/(charge)	2	340	(4,000)
Loss before minority interests		<u>(43,883)</u>	<u>(30,788)</u>
Minority interests		–	59
Loss attributable to shareholders		<u>(43,883)</u>	<u>(30,847)</u>
Loss per share	3	<u>(10.97) cents</u>	<u>(7.71) cents</u>

Notes:

- (1) Exceptional item

	Six months ended	
	30/6/1999	30/6/1998
	<i>HK\$'000</i>	<i>HK\$'000</i>
Provision for doubtful debts	<u>24,790</u>	<u>–</u>

- (2) (a) The amount of taxation credit/(charge) in the consolidated profit and loss account represents an overprovision of Hong Kong profit tax of the prior period (1998: an underprovision of HK\$4,000,000). No provision for Hong Kong profits tax has been made in the accounts as the Group has no assessable profits for the current period.
- (b) No provision for deferred taxation has been made in the accounts as the effect of timing difference is not material to the Group.

- (3) The calculation of loss per share for the period is based on the loss attributable to shareholders of HK\$43,883,000 (1998: HK\$30,847,000) and 400,000,000 (1998: 400,000,000) shares in issue during the period.
- (4) Transfer to/(from) reserves

	Six months ended	
	30/6/1999	30/6/1998
	<i>HK\$'000</i>	<i>HK\$'000</i>
Properties revaluation reserve		
At 1st January	2,307	2,307
Deficit arising on revaluation during the period	(2,307)	—
	<hr/>	<hr/>
At 30th June	—	2,307
	<hr/> <hr/>	<hr/> <hr/>

INTERIM DIVIDEND

The board of directors has resolved not to pay an interim dividend for the six months ended 30th June, 1999 (1998: Nil).

REVIEW AND OUTLOOK

For the period ended 30th June 1999, the Group's turnover dropped by approximately 19% to HK\$51,704,000 (1998: HK\$63,676,000), and reported a loss attributable to shareholders of HK\$43,883,000 (1998: loss of HK\$30,847,000).

During the period under review, the consumer sentiment deteriorated and the Group experienced a fallen consumer demand in both Hong Kong and the Mainland China markets. The Group had to cut prices to maintain its competitiveness but an operating loss of HK\$19,433,000 (1998: HK\$26,788,000) was resulted.

THE YEAR 2000 COMPLIANCE

The Group has completed the programme to ensure the Year 2000 problem does not affect its operation. The detailed information in respect of the Year 2000 Compliance has been published in the 1998 annual reports. The cost involved in Year 2000 project was approximately HK\$300,000 and such cost has no material impact on the financial position of the Group. The board of directors considers that the Year 2000 problem will not significantly affect the Group's operation.

DISCLOSURE OF INTERESTS

As at 30th June, 1999, the directors and chief executives of the Company and their associates had the following interests in the

share capital of the Company or any of its associated corporations (within the meaning of the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”) which required disclosure pursuant to the Model Code for Securities Transactions by Directors of Listed Companies or as recorded in the register maintained under Section 29 of the SDI Ordinance: –

Name	Number of shares in the Company beneficially held			
	Personal interest	Corporate interest	Family interest	Other interest
Mr. Cheung Chi Chung	–	(note 1)	–	–
Mr. Cheung Kam Wong	–	204,114,700	–	–
		(note 1)		
Mr. Wong Fan Tai	–	204,114,700	–	–
		(note 1)		
Ms. Wang Annie Chang Roe	–	(note 1)	–	–
Mr. Kong Yun Kan	6,285,700	–	–	82,226,600
				(note 2)

Notes:

- 204,114,700 shares were held by Tasmanian Treasure Limited, which is owned as to 45% by Marlborough Gold Limited, 45% by Paynes Park Limited and 10% by Normandy Gold Limited. Marlborough Gold Limited is a wholly-owned subsidiary of United Power Investment Limited, the securities of which are listed on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”). The holding company of United Power Investment Limited is United Power International Limited (“UPIIL”). Sino Ambassador Limited which is beneficially owned by Cheung Kam Wong and Cheung Chi Chung as to 72% and 10% respectively owns 60% in UPIIL. Paynes Park Limited is wholly-owned by Mr. Wong Fan Tai. Normandy Gold Limited is wholly-owned by Ms. Wang Annie Chang Roe.
- 65,428,600 of these shares were owned by Hoi Fat Investments (B.V.I.) Limited, which is owned as to approximately 43.02% by Cowin Enterprises Limited and 44.08% by family members of Mr. Kong Yun Kan. 16,798,000 shares were 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 Mr. Kong Yun Kan and his immediate family members.

Save as disclosed above and the holding of certain nominee shares in trust for the Group, none of the directors and chief executives of the Company or their associates had any interest in the share capital of the Company or any of its associated corporations as defined in the SDI Ordinance as at 30th June, 1999.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30th June, 1999, other than the interests of certain directors and their associates disclosed under the section headed "Disclosure of Interests" above, no other person is recorded in the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance as having an interest in 10% or more of the issued share capital of the Company.

DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

A share option scheme was approved at a special general meeting of the Company held on 16th June, 1993 under which the directors of the Company may, at their discretion, grant options to executive directors and full time employees of the Company or its subsidiaries to subscribe for shares in the Company.

There were no options exercised, granted or outstanding during the six months ended 30th June, 1999.

Apart from the share option scheme of the Company, at no time during the period was the Company, its holding company or any of its subsidiaries and fellow subsidiaries, a party to any arrangements to enable the directors or chief executives of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company of any other body corporate, and neither the directors, chief executives nor any of their spouses or children under the age of 18 had been granted any right to subscribe for securities of the Company, or exercised any such right.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the period.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF LISTING RULES

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, 1999, in compliance with the Code of Best Practice set out in appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange, save that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company and that there was no audit committee established by the Company.

By order of the board
Cheung Chi Chung
Chairman

Hong Kong, 29th September, 1999