



恒安國際集團有限公司

HENGAN INTERNATIONAL GROUP COMPANY LIMITED

Growing With You for a Better Life

2001 Interim Results Announcement



Agenda



- **Highlight of the Period**
- **Financial Highlights**
- **Business Review**
- **Outlook for 2nd Half**
- **Open Forum**



Highlight of the Period



Sanitary Napkins

- Competition was keen and overall sales remained largely the same
- High-profit-margin products have found a market niche, of which pantliners recorded a growth of 28%

Tissue Distribution Business

- Received HK\$3.5M distribution commission, or a 83% increase
- Hearttex has become the most popular paper handkerchief and box-set tissue paper in the PRC and recorded robust sales

Diapers

- Achieved 48% increase in sales due to the increased production capacity

Others

- "Anle" cleansing lotion and spray for ladies and adult diapers were warmly received in the market



Financial Highlights



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Financial Highlights

<i>Six months ended June 30</i>	2001 1/H (HK\$'000)	2000 1/H (HK\$'000)	Change (%)
Turnover	608,495	553,809	+ 9.9%
Gross Profit	228,536	217,893	+4.9%
Operating Profit	123,941	136,637	- 9.3%
Net Profit	114,014	129,156	-11.7%
EPS	11.5 cents	12.9 cents	-10.9%
Dividend per share	10 cents	10 cents	-



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Turnover Breakdown by Products

<i>Six months ended June 30</i>	2001 1/H (HK\$'000)	2000 1/H (HK\$'000)	Change (%)
"Anle" Sanitary Napkins	156,221	172,775	-9%
"Anerle" Sanitary Napkins	205,647	213,098	-3%
Pantiliners	68,008	52,831	+28%
Baby Diapers	118,025	79,779	+48%
Others	60,597	35,326	+72%



Key Figures



<i>(HK\$)</i>	2001 1/H	2000 1/H
Cash on Hand	517.2 m	502.4 m
Finished Goods Turnover	47 days	33 days
Accounts Receivable Turnover	27 days	50 days
Current Ratio	6.2 times	7.0 times
Gearing Ratio	Nil	Nil

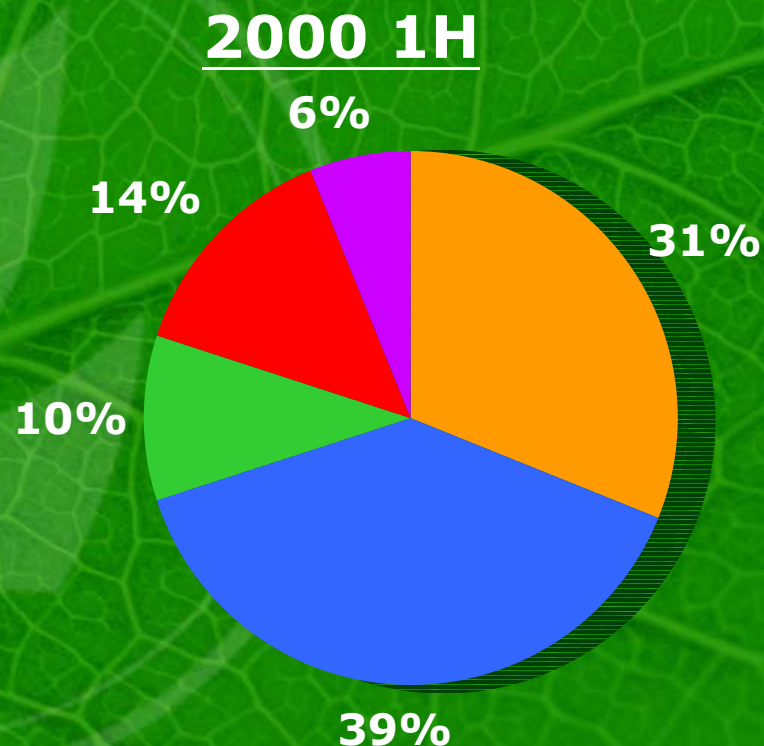
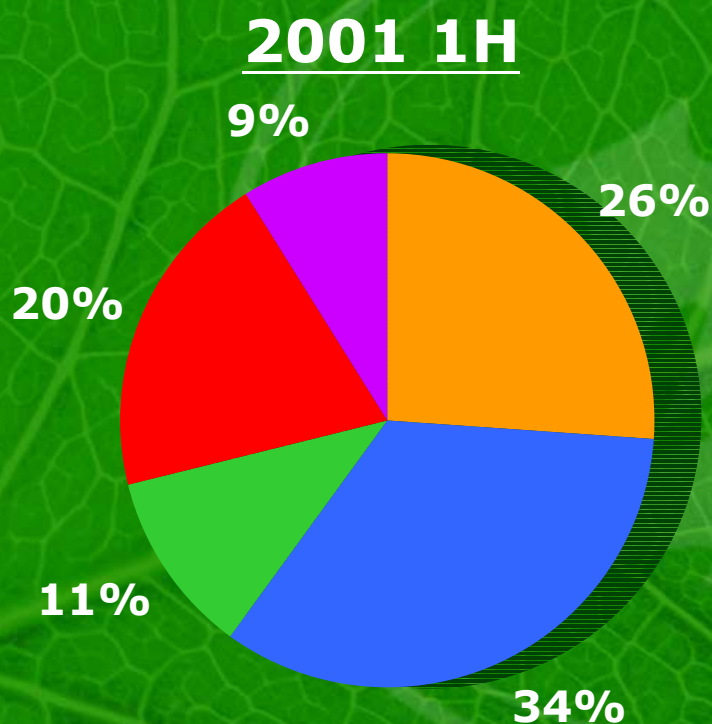


Business Review



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Turnover by Product



- Ordinary sanitary napkins (Anle)
- Winged sanitary napkins (Anerle)
- Pantiliners
- Baby diapers
- Others



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Sanitary Products



- **Decrease in demand of sanitary napkins due to:**
 - **Excess in supply**
 - **Overcrowded by the small-scaled manufacturers**
- **Applying anti-microbacterial technology on all sanitary napkin products to enhance product quality**
- **Pantiliners recorded impressive growth since the market is in maturity**
- **Cleansing lotion and spray received warm response**



Diapers



	Sales (HK'000)
"Anerle" baby diapers	118,025
"ElderJoy" adult diapers	3,420

- Strong growth in baby diapers "Anerle" due to:
 - Increase in productivity
 - Rise in market demand



Diapers



- **Adult diapers market is still under development**
- **“ElderJoy” has been launched to the market, contributing HK\$3,420,000 turnover during the period**
- **Will actively expand new distribution channels**



Outlook for 2nd Half



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Outlook for 2nd Half

- Product quality upgrade and introduction of new technology remain the major targets of the Group
- Employ external consulting company to help enhance internal control and management and improve the operating efficiency
- Speed up the process of identifying investment opportunities



Open Forum



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