

# CHIEF EXECUTIVE'S STATEMENT

## 行政總裁報告



WONG Wai Sheung, *Chief Executive*  
黃偉常 行政總裁

I am pleased to present the annual report of Luk Fook Holdings (International) Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) for the year ended 31st March 2005.

### FINANCIAL PERFORMANCE

#### *Results*

For the year ended 31st March 2005, turnover was HK\$1,961,720,000 representing a 22.8% increase compared with HK\$1,598,123,000 in the previous year. Profit attributable to shareholders amounted to about HK\$125,988,000 (2004: HK\$76,965,000), representing an increase of 63.7%. Earnings per share was HK 26.1 cents (2004: HK 16.1 cents).

#### *Final Dividend and Special Dividend*

The Directors proposed a final dividend of HK 6 cents per share (2004: HK 5 cents per share) and a special dividend of HK 2 cents per share (2004: Nil) for the year ended 31st March 2005. Together with the interim dividend of HK 4 cents per share already paid, a total of HK 12 cents per share were declared for the year ended 31st March 2005 (2004: HK 7 cents per share).

本人欣然提呈六福集團(國際)有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至2005年3月31日止年度之年報。

### 財政表現

#### *業績*

截至2005年3月31日止年度,營業額為1,961,720,000港元,較去年1,598,123,000港元增加22.8%。股東應佔溢利約125,988,000港元(2004年:76,965,000港元),上升63.7%。每股盈利為26.1港仙(2004年:16.1港仙)。

#### *末期股息及特別股息*

董事擬就截至2005年3月31日止年度派發末期股息每股6港仙(2004年:每股5港仙)及每股2港仙之特別股息(2004年:無),連同已派發的中期股息每股4港仙,截至2005年3月31日止年度宣派的股息合共為每股12港仙(2004年:每股7港仙)。

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New Head Office  
in Kwun Tong  
觀塘新總辦事處

### OPERATION REVIEW

#### *Management*

During the year under review, the Group has relocated its head office to a premier commercial complex at the business center of Kwun Tong, Hong Kong in order to prepare for further expansion. Moreover, to comply with the Code Provisions of the Code on Corporate Governance Practices (the “Code”) newly included in the Rules governing the listing of securities on the Stock Exchange of Hong Kong Limited, which requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual, Mr. LO Mun Lam, Raymond was appointed as the Chairman of the Board with effect from 12th April 2005, and myself, the former Chairman & Chief Executive, has been re-designated as the Chief Executive.

#### *Gold and Jewellery Operation*

The Group has aggressively expanded its business worldwide to realize its globalization strategies stipulated in 2003. At present, the Group has 28 retail outlets under the brand name of Luk Fook and 4 outlets under the brand name of Ice g. throughout Hong Kong, Macau, Canada and the PRC. During the year under review, the Group has stepped forward to establish 2 retail outlets in Canada and 2 retail outlets in the PRC under the brand name of Luk Fook, whereas the number of licensee shops of Luk Fook Jewellery brand (“licensee shops”) in the PRC has been rapidly grown to over 145 during the year under review. It reflected that the Group has successfully seized the overseas markets and widely recognized by the overseas clients.

#### *業務回顧 管理*

於回顧年度，本集團總辦事處遷往香港觀塘商業中心區一幢卓越商廈，務求為進一步擴展作好準備。此外，為遵守香港聯合交易所有限公司證券上市規則當中最近頒佈之企業管治常規守則規定（「守則」），該守則規定主席及行政總裁之職責須獨立分開，且不應由同一人士出任，盧敏霖先生已獲委任為董事會主席，自2005年4月12日起生效。本人以往出任主席兼行政總裁，現已調任行政總裁。

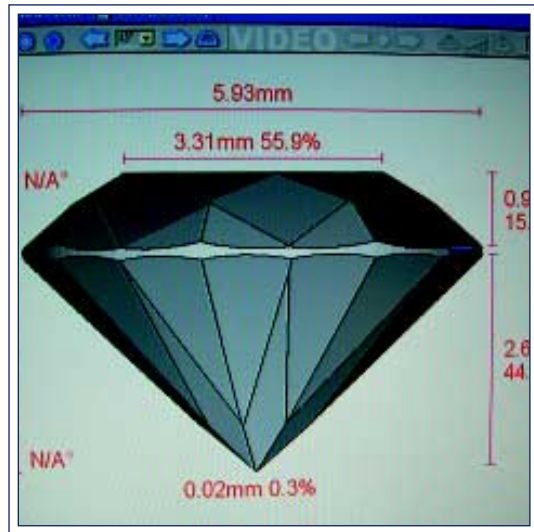
#### *金飾及珠寶首飾業務*

為實現於2003年訂定之全球化策略，本集團積極於世界各地擴展業務。現時，本集團在香港、澳門、加拿大及中國共有28間六福分店及4間Ice g.分店。於回顧年度本集團進一步分別於加拿大及中國各開設2間六福分店，另本集團於中國之六福珠寶商標許可使用商（「商標許可使用商」）數目於回顧年度迅速增至超過145間，反映本集團成功打入海外市場，獲海外客戶廣泛愛戴。

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China Gems Laboratory Limited's professional authentication system  
中華珠寶鑑定中心專業鑑証系統



Ratio of ideal cut diamond  
鑽石完美車工比例

The Group's subsidiary gems laboratory, "China Gems Laboratory Limited", has successfully attained the ISO 17025 qualification. Being the first jeweler in Hong Kong accredited with the honour, it is an acknowledgement of Luk Fook's professional authentication system and techniques. The quality control of the Group and customer assurance has thereby both been enhanced.

Articles of jewellery are becoming more and more fashion oriented. To further elevate the Group's position in the market, more focus has been made on design techniques, craftsmanship skills and retail outlet locations. For example, the Group has established a foothold in Central, being Hong Kong's busiest commercial, financial and tourism district, and a chosen area for international brand name shops.

Similar with the past few years, the Group's intricate and beautiful jewellery designs have once again, received accolades and awards in various jewellery design competitions for the year under review.

Brand management is the Group's key in its globalization strategy. The Group insists on providing high quality services and innovative products, and actively promotes its brand name to establish Luk Fook

本集團旗下附屬公司「中華珠寶鑑定中心」成功獲取ISO 17025認證。六福為香港首個榮獲此項殊榮之珠寶商，足以證明其專業鑑証系統受到認同，本集團品質監控得到提升，產品質素亦有保證。

珠寶首飾受時裝潮流影響日大，為了提升市場層次，本集團積極改良設計技術、工藝及零售店舖選址，並於國際品牌商店林立之香港最繁盛商業、金融及旅遊樞紐中環設立據點。

一如過往，本集團之匠心設計大獲好評，於回顧年度，在各大珠寶設計比賽中囊括多個獎項。

品牌管理乃本集團全球化策略之關鍵所在。本集團秉持提供優質服務及創新產品之宗旨，積極推廣其品牌，推動六福珠寶成為本地及海外消費者首選珠

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Jewellery as the jeweler brand name for domestic and overseas consumers. In January 2005, the Chinese Manufacturers' Association of Hong Kong awarded the Group with the "Hong Kong Top Brand Awards 2004". Only a total of 10 brand names were recognized with the honor, and Luk Fook was the only accredited jeweler in 2004.

### *PRC Market*

The continuous growth of the PRC economy boosted the demand for luxury products. It is expected to create enormous business opportunity for the jewellery industry. In anticipation of this trend, the Group has been actively developing the PRC market. To balance cost effectiveness and production efficiency, the Group has achieved a certain degree of vertical integration by producing a portion of its gold ornaments and gem-set jewellery in its production facilities in Hong Kong, and the PRC. The production capacity is further expanded with a newly built manufacturing plant situated on a site area of about 350,000 sq. ft. in Panyu, Guangdong, and with a total investment of approximately HK\$75,000,000. The new plant has commenced operation in the fourth quarter of 2004, and is targeted to triple the previous production capacity.

寶品牌。於2005年1月，本集團榮獲「2004年香港名牌」殊榮，此項活動由香港中華廠商聯合會舉辦，共有十個品牌獲獎，而六福為2004年度唯一獲獎之珠寶商。



### *中國市場*

中國經濟持續增長，帶動市場對珍品的需求穩步上揚，預料將為各大珠寶品牌締造龐大商機。因此，本集團一直積極發展中國市場。為達致成本效益及生產效率，本集團於其香港及中國生產設施，生產一部份黃金裝飾品及鑽石首飾，成功達到一定程度之縱向整合。本集團產能藉著於廣東省番禺佔地約350,000平方呎及總投資約75,000,000港元之新建生產廠房而增加。該新廠房已於2004年第四季投產，目標產能為前廠房的3倍。



New office building in Panyu, PRC  
中國番禺新辦公大樓



Staff's dormitories in Panyu, PRC  
中國番禺員工宿舍

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Award presentation of "Hong Kong Top Brand Awards 2004"  
「2004年香港品牌」頒獎典禮



Award presentation of "Sincere Trademark of Hong Kong" and "My Most Favorite Top 10 Brands of Hong Kong"  
「香港優質誠信商號」及「我至喜愛香港十大品牌」頒獎典禮

In September 2004, the Group opened its retail outlet at Guangzhou Baiyun International Airport, and in January 2005, the Group opened its second outlet in Beijing. The Group adopted the strategy of providing technical support and consultancy services to jewellery retailers in the PRC which operates under the trade name of "Luk Fook Jewellery", and in return these licensee shops commit to an advertising budget to promote the brand name of "Luk Fook Jewellery". During the period under review, the Group provided technical support, product design, and staff training service to over 145 licensee shops in 70 cities in the PRC.

As further demonstration of the Group's market position in the PRC, for the year under review, the Group was awarded with the title of "Sincere Trademark of Hong Kong" and "My Most Favorite Top 10 Brands of Hong Kong" in the second annual event held by Guangzhou Daily in the PRC.

於2004年9月，本集團於廣州白雲國際機場開設分店，並於2005年1月在北京開設第2間分店。此外，本集團所採取策略為向中國以「六福珠寶」品牌經營之珠寶零售商提供技術支援及顧問服務，而商標許可使用商則承諾調撥廣告預算，宣傳「六福珠寶」之品牌。於回顧期間，本集團向中國70個城市逾145間商標許可使用商提供技術支援、產品設計及員工培訓服務。

於回顧年度，本集團榮獲中國廣州日報主辦第二屆「香港優質誠信商號」及「我至喜愛香港十大品牌」之榮銜，彰顯本集團於中國市場之地位。



第2屆"香港優質誠信商號"  
(2004-2005) 廣州日報



"我至喜愛香港十大品牌"  
(2004-2005) 廣州日報

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Website of Jewellworld.com  
珠寶世界網站



Website of Jewellworld.com  
珠寶世界網站

### Portal Operation

The Group's jewellery portal was developed to provide an electronic gateway for the global jewellery industry. It not only serves as a business-to-business trading platform among jewellery manufacturers, wholesalers and retailers around the world for streamlining their operation procedures, it also offers an easy and convenient way for consumers to purchase jewellery online. The Group believes that viewing samples and purchasing jewellery through the Internet would become a trend and has huge business potential.

### Prospects

The Group will continue its globalization strategy by upgrading Luk Fook's international brand name and identifying more potential retail outlets of overseas market, to further enhance the Group's exposure and broaden its client base.

### Hong Kong Market

Looking forward, the Group is optimistic of the Hong Kong economy. From a macro perspective, the Hong Kong economy will be undergoing a strong upturn and the GDP growth has reached 6% in the first quarter of 2005, which provides a favourable environment for the growth of the Hong Kong retail market.

### 網站業務

本集團成立珠寶首飾網站之目的為向全球珠寶首飾業提供電子橋樑。該網站不單作為世界各地珠寶首飾製造商、批發商和零售商之企業對企業交易平台，亦能簡化其運作程序，為顧客提供簡單方便的網上購買珠寶首飾途徑。本集團相信，網上瀏覽及訂購珠寶首飾定能成為潮流並締造龐大商機。

### 前景

本集團將繼續透過提升六福國際品牌，並於海外市場物色更多合適零售店舖，進一步吸納海外客戶及提高本集團的知名度，以實踐全球化發展策略。

### 香港市場

展望未來，本集團對香港經濟非常樂觀。宏觀而言，香港經濟將出現強勁增長，本地生產總值於2005年首季達6%，為香港零售市場之發展提供利好環境。

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With the implementation of “Individual Visit Scheme” and other favourable traveling policies issued by the Chinese Government, the consumption spending of the PRC visitors will further stimulate the Hong Kong economy.

Moreover, the opening of Hong Kong Disneyland in September 2005 is a most anticipated event in Hong Kong. It will undoubtedly attract a surge of tourists from the PRC and Southeast Asia, which will contribute to many business opportunities to the Group. In order to meet such market needs, the Group will continue to expand its business by seeking more prime locations to open new retail outlets, and to hire more trained and experienced staff.

The Group will continue to strengthen its brand and corporate image. In June 2005, the Group joined the elite membership of “Superbrands”, further promoting the Group’s brand and exposure through the international series publication of “Superbrands” books.

Together with the above-mentioned factors, and with the escalating reputation of the Luk Fook brand in Hong Kong, it will pave the way for an exciting development for the Group in the long run. Looking ahead, the Group will continue to participate in international competitions, industry fairs, as well as exhibitions to excel in all areas.

Meanwhile, the Group will further promote the Ice g. collection and endeavor to build a brand recognizable by young consumers, through a strategy of offering affordable but chic, stylish accessories and jewellery.

### **PRC Market**

According to the Hong Kong Trade Development Council (“HKTDCC”), the sales of jewellery recorded an annual growth rate of 15.7% in the PRC market. The jewellery market is expected to reach RMB150 billion in the year 2010. The Hong Kong Tourism Board estimated that jewellery represented 18% of tourist expenditure in 2003. Just considering the spending of mainland tourists, the proportion was 24%. A recent survey conducted by the HKTDCC shows that Hong Kong brands are indeed the most favourite jewellery brands among urban shoppers in the PRC, when compared with local and foreign brands. With competitive advantages over foreign jewelers in terms of reputation, services, and product quality, the Group believes that its business will expand rapidly in the PRC.

零售市場將繼續受惠於內地「自由行計劃」，以及中國政府頒佈之其他利好旅遊政策，內地旅客消費將可進一步刺激香港經濟。

此外，於2005年9月開幕的香港迪士尼樂園為香港一大盛事，必能吸引大量中國及東南亞旅客，並為本集團締造大量商機。為迎合市場需要，本集團將物色更多理想地點開設新分店，並招聘更多訓練有素且經驗豐富的員工，繼續擴充業務。

本集團將繼續鞏固其品牌及企業形象，於2005年6月更躋身「超級品牌」之列，相信本集團品牌將透過「超級品牌」國際刊物進一步推廣至全球各地。

綜合上述各項因素，加上六福品牌於香港的聲譽不斷提升，均為本集團長遠發展鋪路。展望未來，本集團將繼續參加更多國際比賽、業界交流會及展覽會，並於各範疇創造佳績。



同時，本集團將進一步推廣Ice g.系列，透過提供價錢相宜而高質素之精緻珠寶首飾，致力在年輕消費市場建立品牌知名度。

### **中國市場**

根據香港貿易發展局（「貿發局」）的資料顯示，中國市場的珠寶首飾銷售額錄得15.7%的年增長率，預計於2010年，珠寶首飾市場市值將達人民幣1,500億元。香港旅遊發展局估計，珠寶首飾佔2003年旅客消費之18%。單就內地旅客消費而言，比例為24%。貿發局最近進行之調查結果顯示，本地與外國品牌相比，香港之珠寶首飾品牌最受中國內地城市消費者歡迎。本集團的聲譽、服務及產品質素均較外國珠寶商更具競爭優勢，故本集團深信其業務將於中國迅速擴展。

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The Group continues to provide technical support and consultancy services to licensee shops in the PRC, with an aim to continue its penetration into the PRC market. Presently, the number of the Group's licensee shops in the PRC is already over 145.

Also, by leveraging on its strong production support in Panyu and the PRC, the Group plans to explore wholesale business opportunities in the foreseeable future.

### **Macau Market**

With simplified traveling procedures, the opening up of the gambling industry, as well as several development projects in progress, Macau has established itself as a tourist hot spot for mainland visitors. Leveraging on Macau's boom and the outstanding performance of its first retail outlet there, the Group will open its second retail outlet in Macau in August 2005, thereby establishing itself for further development in the Macau market.

### **Overseas Market**

The Group has successfully penetrated into the overseas market. Following its achievements in the Canadian market, the Group plans to open retail outlets in New York, Las Vegas, and Southeast Asia in the future, thereby attracting more overseas clients and to upgrade Luk Fook as a global brand.

## ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to express my appreciation to all staff for their dedication and contribution during the year. I would also like to offer my sincerest gratitude to all our customers, suppliers, business associates and shareholders for their support and advice. With your continuous cooperation and support, the Group will make every endeavor to strive for the best in the coming year.

By Order of the Board  
**WONG Wai Sheung**  
Chief Executive

Hong Kong, July 22, 2005

本集團繼續為中國商標許可使用者提供技術支援及顧問服務，從而於中國市場立足。現時，本集團於中國之商標許可使用者數目已超過145間。

另外，憑藉中國番禺廠房之強勁生產支援，本集團計劃於可見將來探討發展批發業務之可行性。

### **澳門市場**

隨著出入境手續簡化、博彩業起飛，加上多個發展項目陸續進行，澳門已成為內地旅客其中一個著名旅遊點。澳門發展繁盛，加上於澳門首間分店表現令人鼓舞，鼓勵本集團將於2005年8月在澳門開設第2間分店，為進一步拓展澳門市場奠定基石。

### **海外市場**

本集團已成功進軍海外市場。繼加拿大市場之佳績後，本集團計劃未來於紐約、拉斯維加斯及東南亞開設分店，以吸引更多海外客戶，藉以提升六福為國際品牌。

## 致謝

本人謹藉此機會代表董事會，對全體員工於年內之竭誠服務及積極貢獻致以衷心感謝。本人亦感激各顧客、供應商、業界友好及股東的支持及意見。為報答各方多年來的通力合作和鼎力支持，本集團定必竭盡所能，在未來一年爭取佳績。

承董事會命  
行政總裁  
**黃偉常**

香港，2005年7月22日