



六福集團(國際)有限公司  
LUK FOOK HOLDINGS ( INTERNATIONAL ) LIMITED

(Incorporated in Bermuda with Limited Liability)  
(於百慕達註冊成立之有限公司)  
Stock Code 股份代號 : 590

始

第八屆香港珠寶設計比賽  
大獎

**Just Begin**

The 8th Hong Kong Jewellery Design Competition  
“Best of Show” Award

Annual Report 2007 年報





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# CORPORATE INFORMATION

## 公司資料

### DIRECTORS

#### **Executive Directors:**

Mr. WONG Wai Sheung (*Chief Executive*)  
Mr. TSE Moon Chuen  
Mr. LAW Tim Fuk, Paul  
Mr. LAU Kwok Sum

#### **Non-executive Directors:**

Mr. WONG Koon Cheung  
Mr. CHAN Wai  
Mr. LEE Shu Kuan  
Miss YEUNG Po Ling, Pauline  
Mr. HUI King Wai

#### **Independent Non-executive Directors:**

Mr. CHIU Wai Mo  
Mr. HUI Chiu Chung  
Mr. LO Mun Lam, Raymond (*Chairman*)

### AUDIT COMMITTEE

Mr. CHIU Wai Mo  
Mr. HUI Chiu Chung  
Mr. LO Mun Lam, Raymond (*Committee Chairman*)

### REMUNERATION COMMITTEE

Mr. WONG Wai Sheung  
Mr. TSE Moon Chuen  
Mr. CHIU Wai Mo  
Mr. HUI Chiu Chung (*Committee Chairman*)  
Mr. LO Mun Lam, Raymond

### COMPANY SECRETARY

Mr. LAW Tim Fuk, Paul

### QUALIFIED ACCOUNTANT

Mr. LAW Tim Fuk, Paul

### LEGAL ADVISERS

Kirkpatrick & Lockhart Preston Gates Ellis Solicitors

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants

### 董事

#### **執行董事:**

黃偉常先生 (*行政總裁*)  
謝滿全先生  
羅添福先生  
劉國森先生

#### **非執行董事:**

黃冠章先生  
陳偉先生  
李樹坤先生  
楊寶玲小姐  
許競威先生

#### **獨立非執行董事:**

趙偉武先生  
許照中先生  
盧敏霖先生 (*主席*)

### 審核委員會

趙偉武先生  
許照中先生  
盧敏霖先生 (*委員會主席*)

### 薪酬委員會

黃偉常先生  
謝滿全先生  
趙偉武先生  
許照中先生 (*委員會主席*)  
盧敏霖先生

### 公司秘書

羅添福先生

### 合資格會計師

羅添福先生

### 法律顧問

高蓋茨律師事務所

### 核數師

羅兵咸永道會計師事務所  
執業會計師

## CORPORATE INFORMATION

### 公司資料

#### REGISTERED OFFICE

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

#### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Tel: (852) 2308 1218  
Fax: (852) 2374 1696  
E-mail: [group@lukfook.com.hk](mailto:group@lukfook.com.hk)  
Web Site: <http://www.lukfook.com.hk>

#### PRINCIPAL BANKERS

Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
The Bank of East Asia Limited  
Dah Sing Bank Limited

#### SHARE REGISTRAR

The Bank of Bermuda Limited

#### SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Computershare Hong Kong Investor Services Limited  
Rooms 1712-1716  
17th Floor  
Hopewell Centre  
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Hong Kong

#### INVESTOR RELATIONS CONSULTANT

JOVIAN Financial Communications Limited  
Room 1405-14, 14th Floor  
Sun Hung Kai Centre  
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Wan Chai, Hong Kong  
Tel: (852) 2581 0168  
Fax: (852) 2156 9610  
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Website: <http://www.joviancomm.com>

Both the English and Chinese versions of this Annual Report can be accessed through the internet at: <http://www.lukfook.com.hk>

#### 註冊辦事處

Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

#### 總辦事處及主要營業地點

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觀塘觀塘道418號  
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傳真: (852) 2374 1696  
電郵: [group@lukfook.com.hk](mailto:group@lukfook.com.hk)  
網址: <http://www.lukfook.com.hk>

#### 主要往來銀行

恒生銀行有限公司  
香港上海滙豐銀行有限公司  
東亞銀行有限公司  
大新銀行有限公司

#### 股份登記處

The Bank of Bermuda Limited

#### 香港股份過戶登記處

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#### 投資者關係顧問

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傳真: (852) 2156 9610  
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網址: <http://www.joviancomm.com>

本年報之中英文版皆可於互聯網  
<http://www.lukfook.com.hk>查閱。

# CHIEF EXECUTIVE'S STATEMENT

## 行政總裁報告



Wong Wai Sheung 黃偉常  
Chief Executive 行政總裁

It is my pleasure to present to you the 2007 annual report of Luk Fook Holdings (International) Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) for the financial year ended 31st March 2007.

### FINANCIAL PERFORMANCE

#### Results

For the year ended 31st March 2007, the Group recorded a turnover of approximately HK\$2,845,147,000, representing a 34% increase as compared to approximately HK\$2,126,297,000 in 2006. Turnover in the retail and wholesale sectors comprised 65% and 35% respectively. The increase in the retail turnover was mainly due to the strong growth in the Hong Kong economy and rising income of consumers, sales of gold products stimulated by the traditional good-for-marriage year and the satisfactory growth in sales performance during the Golden Weeks in May and October 2006. Besides, turnover in the wholesale sector increased by approximately 43% due to the substantial increase in the quantity of gold jewellery items purchased by the Group from retail customers and reselling to gold merchants in bulk quantities, as a result of drastic surges in gold prices during the year. Profit attributable to shareholders climbed by 107% to approximately HK\$198,059,000 (2006: HK\$95,695,000). Basic earnings per share was HK40.3 cents (2006: HK19.7 cents).

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2007年3月31日止財政年度之2007年年報。

#### 財務表現 業績

截至2007年3月31日止年度，本集團錄得營業額約2,845,147,000港元，較2006年約2,126,297,000港元增加34%。零售及批發方面分別貢獻65%及35%營業額。零售營業額上升主要基於香港經濟增長強勁及消費者收入提升，傳統宜嫁娶年度刺激金飾產品銷量，以及於2006年5月及10月黃金週之銷售表現增長理想。除此之外，批發業務之營業額亦增加約43%，此乃由於金價於年內急劇上升，而本集團自零售顧客購回金飾，並將其大量轉售至金商之數量大幅增加。股東應佔溢利攀升107%至約198,059,000港元（2006年：95,695,000港元）。每股基本盈利為40.3港仙（2006年：19.7港仙）。

## CHIEF EXECUTIVE'S STATEMENT 行政總裁報告



### *Dividend*

The Directors proposed a final dividend of HK11 cents per share (2006: HK7 cents per share) for the year ended 31st March 2007. In addition to the interim dividend of HK7 cents per share already paid, the dividend for the full year amounted to a total of HK18 cents per share (2006: HK10 cents per share). The proposed dividend will be paid on 14th September 2007 following the approval at the Annual General Meeting.

### *Overview*

The financial year 2006/07 was a fruitful year for the Group. The step-up in the overall performance was mainly attributable to the substantial increase in retail and wholesale volume. During the year, the buoyant stock markets of Hong Kong and the PRC have increased the income of consumers. The growth in household income and consumer spending boosted the demand for luxury products such as jewellery. Hence, the prosperous economy of Hong Kong and the fast growing PRC market offered robust growth momentum to the retail market of Hong Kong as well as the sales of Luk Fook.

Meanwhile, the rising tourist arrivals in Hong Kong also led to a rapid increase in consumer expenditure. According to the figures from the Hong Kong Tourism Board (“HKTB”), the overall tourist arrivals rose by 8.1% from 2005 to approximately 25 million in 2006. The number of PRC tourists, which accounted for more than half of total arrivals, reached 13.5 million in 2006, expanding at a rate of 8.4% from a year ago.

### *股息*

董事擬就截至2007年3月31日止年度派發末期股息每股11港仙（2006年：每股7港仙），連同已派發的中期股息每股7港仙，全年股息合共為每股18港仙（2006年：每股10港仙）。擬派股息於股東週年大會獲批准後，將於2007年9月14日支付。

### *業務回顧*

2006/07財政年度為本集團碩果纍纍的一年。整體表現上揚，主要基於零售及批發額大幅增長。年內，香港及中國股票市場暢旺，令消費者收入提升。家庭收入及消費開支的增加，刺激珠寶等奢侈品的需求上升。因此，香港經濟繁盛，加上中國市場迅速增長，為香港零售市場以及六福之銷售額締造了強大的增長動力。

同時，訪港旅客人次上升亦推動消費開支急速增加。根據香港旅遊發展局（「旅發局」）數字顯示，2006年全年訪港旅客人次較2005年增長8.1%至約2,500萬人次，當中內地訪港旅客人次佔總訪港旅客人次一半以上，達1,350萬人次，較去年增加8.4%。

## CHIEF EXECUTIVE'S STATEMENT 行政總裁報告



Figures from the HKTB also showed that the total expenditure associated to inbound tourism recorded an increase of 12.7% to HK\$119.43 billion in 2006, exceeding the original forecast by more than HK\$4.7 billion as compared to 2005. Through the further relaxation of the Individual Travel Scheme, more PRC consumers are allowed to travel to Hong Kong, aided by the appreciation of Renminbi against Hong Kong dollars, Hong Kong's retail sector and our business were greatly benefited.

### BUSINESS PERFORMANCE *Hong Kong Market*

As at 31st March 2007, the Group operates 24 retail outlets under the brand name of "Luk Fook" in Hong Kong. The Group has also established a stylish and trendy product line, "Ice g.", to cater the younger customers' tastes. Apart from the "Ice g." counters in "Luk Fook" jewellery shops, the Group currently operates 1 "Ice g." shop in Sheung Shui.

During the year under review, the Group has opened 2 new Luk Fook shops in Mongkok and Shatin in August and December 2006 respectively.

Since September 2005, the Group has started to renovate the Luk Fook shops in Hong Kong. Up till the end of 2006, we have already refurbished most of the shops. The new shop image has been well received by customers and the renovation project is expected to be completed by March 2008.

旅發局數字亦顯示2006年與入境旅遊相關的總開支錄得12.7%升幅至1,194.3億港元，與2005年相比，較原來的預測多47億港元。憑藉個人遊計劃進一步放寬，令更多內地消費者獲准來港旅遊，加上人民幣兌港元升值，為香港零售業及本集團業務帶來重大裨益。

### 業務表現 *香港市場*

截至2007年3月31日，本集團在香港經營24間以「六福」品牌名稱經營的分店。本集團亦設立標榜時尚流行款式的產品線「Ice g.」，藉此迎合年青顧客的喜好。除於六福珠寶店內之「Ice g.」專櫃外，本集團現時於上水經營一間「Ice g.」分店。

於回顧年度，本集團於2006年8月及12月分別在旺角及沙田開設兩間新六福分店。

自2005年9月以來，本集團已開始革新香港的六福分店。直至2006年底，本集團已為大部份分店換上新裝，新店形象廣受顧客歡迎，預計革新計劃將於2008年3月前完成。

## CHIEF EXECUTIVE'S STATEMENT 行政總裁報告

In an effort to sustain our integrity as a reputable Hong Kong jeweler, the Group participated in the “No Fakes Pledge” Scheme organized by the Intellectual Property Department with an aim to enhance purchasing confidence among consumers. With Luk Fook’s expertise in “Fei Cui” (Jadeite), the Group was also identified as an approved member of “Natural Fei Cui Quality Mark” Scheme.

### *PRC Market*

The Group operates its PRC retail business mainly through brand licensing services. Adopting licensing business in the PRC allows us to diversify operating risks and minimize the costs for setting up outlets in the vast mainland regions where different norms and rules might be applied on jewellery operators.

During the year under review, the Group continued to fortify its licensing penetration into the PRC market while spotting out favorable locations to establish self-operated shops. As at 31st March 2007, we have over 270 licensee shops in the PRC, spreading across as many as 29 provinces and 113 cities. Footprints of Luk Fook are found in big cities such as Shanghai, Beijing, Shenzhen, Guangzhou. We have also enlarged our parameters to more interior areas including Inner Mongolia, Lanzhou, Urumchi, Xinjiang, etc.

為堅守本集團作為香港享譽盛名珠寶商之誠信，本集團參與由知識產權署舉辦之「正版正貨」承諾行動，旨在提高消費者購物信心。憑著六福對翡翠的專業知識，本集團獲確認為「天然翡翠標誌」計劃的認可成員。

### *中國市場*

本集團主要透過品牌使用服務經營中國零售業務。在中國採取品牌使用模式經營業務，不單有助本集團分散營運風險，亦鑑於內地地域遼闊，各地品牌商或須遵循不同規範及法則，故此舉亦能盡量減省於各地開設分店的成本。

於回顧年度，本集團繼續鞏固其品牌使用業務於中國市場的覆蓋範圍，同時物色理想地點開設自營店。截至2007年3月31日，本集團在中國有超過270間品牌商，廣泛遍佈多達29個省及113個城市。六福於上海、北京、深圳及廣州等大城市設有據點。本集團的版圖亦擴充至遠及內陸地區，包括內蒙古、蘭州、烏魯木齊、新疆等地。





## CHIEF EXECUTIVE'S STATEMENT 行政總裁報告

During the year, the Group established 3 self-operated shops in Beijing in line with our strategy to expand in the PRC market.

### *Macau Market*

With the thriving Macau economy, significant foreign investments flowed into Macau, boosting the gaming, tourism, property and retail markets. Many infrastructure projects such as hotels, resorts, real estates and large scale shopping arcades are under construction. Fuelled by the growing number of visitors to Macau and the increasing consumption of visitors, the retail market in Macau has been flourished. The Group currently has 2 shops located at the main streets of Macau, which are hot spots for tourists and residents.

### *Overseas Market*

In line with our corporate goal of “Brand of Hong Kong Sparkling the World”, extending our geographical reach in the global markets remained our focus during the year. There are currently 3 retail outlets in Canada under the brand name of Luk Fook, of which 2 shops were switched to be operated under licensing mode in 2006. Subsequent to the Group’s successful move into the Canadian market, the Group further tapped into the North American market in June 2006 to launch a new brand “Luvina Jewelers” in the United States, signifying the Group’s first step into a new overseas market.

## PROSPECTS

The Group’s remarkable financial performance has proven the financial year of 2006/07 a year of success. As we always believe that there are huge potentials for long-term growth in the PRC market, we will penetrate unremittingly into the PRC market while consolidating our existing markets and tapping into new markets.

With the vast business opportunities in the PRC, we will continue to select carefully suitable licensing partners for setting up retail outlets and ensure that they offer the best products, designs and services to customers. We will continue to impose stringent quality control on the products sold in our licensee shops and provide technical support and consultancy services to all of the licensed jewelers in the PRC.

年內，為配合發展中國市場之策略，本集團於北京開設三間自營店。

### *澳門市場*

澳門經濟日趨繁榮，吸引大量外資湧入澳門，振興博彩、旅遊、物業及零售市場。多項酒店、度假村、房地產及大型購物商場等基建項目正在建設中。訪澳旅客人數火速上升，加上旅客消費增加，推動澳門零售市場蓬勃發展。本集團現時設有兩間分店，均位於澳門主要街道，亦是旅客和市民遊覽熱點。

### *海外市場*

為配合本公司「香港名牌·國際演繹」的企業目標，不斷將地域覆蓋範圍擴及全球市場，仍為本年度的發展重點。現時在加拿大設有三間以六福品牌名稱經營的分店，其中兩間於2006年轉為以品牌使用模式經營。成功進軍加拿大市場後，本集團進一步涉足北美市場，於2006年6月在美國推出新品牌「Luvina Jewelers」，標誌著本集團向新海外市場邁進的第一步。

## 前景

本集團財務表現標彪，足證2006/07財政年度成績卓越。本集團一直深信，中國市場具備雄厚的長遠發展潛力，我們將不斷滲入中國市場，在鞏固現有市場的同時，亦進軍新市場。

中國市場商機處處，我們會審慎甄選合適之品牌使用夥伴，開設更多分店，確保該等夥伴能為顧客提供最上乘的產品、設計及服務。我們將繼續對品牌商出售之產品施加嚴格品質控制，並向中國所有品牌商提供技術支援及顧問服務。

## CHIEF EXECUTIVE'S STATEMENT 行政總裁報告

On the other hand, the Group has also been watching closely the Macau market and is set to open another Luk Fook branch in Macau's Venetian Macao-Resort Hotel, which has the world's largest casino. The Group remains confident that the new shop will grasp the business opportunities arisen from the operation of the hotel in mid 2007 and achieve satisfactory growth to our sales performance in Macau.

In view of the substantial growth potentials in the overseas market, the Group is planning to tap into new markets, such as Taiwan, Malaysia, and Las Vegas, in an aim to create new growth drivers to our global retail operation and further realize Luk Fook's long-term goal to become a worldwide brand.

Capitalizing on our trusted brand image, we truly believe that our diversified product portfolio, superior quality and designs as well as our earnest customer services are the main factors that enabled us to stay competitive amid stiff competition in the jewellery market in Hong Kong.

Looking ahead, to maintain a sound growth momentum, we will endeavor to strengthen the Luk Fook brand through active participation in product design competitions to maintain our competitiveness in the market.

We will step up our efforts to widen our sales network and search for new markets. With a myriad of key factors in Luk Fook, we are convinced that our healthy growth prospect will give our customers great confidence to shop at Luk Fook and allow us to remain a popular choice among customers in the coming years.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank my staff, shareholders, customers and business partners for their relentless efforts and dedication to the Group. I also wish to extend my gratitude to our customers for their unwavering support in Luk Fook.

By order of the Board,  
**WONG Wai Sheung**  
*Chief Executive*

Hong Kong, 24th July 2007

另一方面，本集團亦一直密切關注澳門市場，並計劃於設有全球最大賭場的澳門威尼斯人度假村酒店開設另一間六福分店。本集團有信心新分店將可抓緊該酒店在2007年中開幕後湧現的商機，令澳門的銷售表現達至理想增長。

鑑於海外市場的龐大增長潛力，本集團計劃拓展新市場，如台灣、馬來西亞及拉斯維加斯，旨在為我們全球零售營運注入新增長動力及進一步實踐六福成為國際品牌的長遠目標。

憑藉信譽昭著的品牌形象，本集團深信我們的多元化產品組合、卓越品質、新穎設計，加上誠懇的服務態度，是本集團在競爭激烈的香港珠寶市場中保持競爭優勢之重要因素。

展望未來，為維持穩健增長勢頭，本集團銳意透過踴躍參與產品設計比賽，維持集團於市場之競爭力，藉此提升六福品牌形象。

本集團將致力擴大銷售網絡及另覓新市場。六福具備多項關鍵要素，我們確信集團穩健的增長前景能贏得顧客信賴，安心惠顧六福，亦令本集團於未來繼續成為廣受顧客歡迎的不二之選。

### 致謝

本人謹此代表董事會，對全體員工、股東、顧客及業務夥伴對本集團付出的不懈努力及貢獻致以衷心感謝。本人亦感激各顧客對六福的鼎力支持。

承董事會命  
行政總裁  
**黃偉常**

香港，2007年7月24日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### OPERATION REVIEW

#### Products

During the year under review, the Group introduced a wide array of products to cater to the diversified tastes of customers as follows:

- “Jewellery Temptation Diamond” Collection Series were launched during the 5•1 Golden Week and 10•1 Golden Week
- Adorable products such as “Pig’s Family” are designed to match up with the Year of Pig
- “2 in Love” Collection and “Hearts in 1” Collection are specially designed for Valentine’s Day. They are products that often create romantic feelings to lovers
- “Wedding Series” especially designed to match up with the favourable marriage year
- Proudly South African Diamond Jewellery “Parfait” Collection
- “Victoria” Collection which is made up of precious stones
- 於五•一黃金週及十•一黃金週推出「飾誘魅力鑽飾系列」
- 為配合豬年,特別設計趣緻可愛的「豬氏家族」純金擺件等產品
- 推出專為情人節而設的「2 in Love系列」及「Hearts in 1系列」,為情侶增添浪漫情懷
- 適逢本年乃適宜嫁娶的年度,特別推出「婚嫁系列」
- 以南非美鑽設計而成的「唯美系列」
- 以寶石、鑽石襯托之「Victoria系列」

#### 業務回顧 產品

於回顧年度,本集團推出下列多款產品,以迎合顧客多樣化的品味:



Mr. Danny Wong, Operations Manager, received “2006 Superbrands” Award  
營運經理黃浩龍先生接受「2006超級品牌」獎項



Mr. Wong Wai Sheung, Chief Executive, was given “2006 Hong Kong Top Service Brand Award” by Mr. Joseph Wong, the former Secretary for Commerce, Industry and Technology Bureau  
行政總裁黃偉常先生於前工商及科技局局長王永平先生手中接過「2006香港卓越名牌」獎項



Mr. Bankee Kwan, the Chairman of Hong Kong Retail Management Association, presented the “2006 Hong Kong Awards for Industries: Customer Service Award” to Mr. Wong Wai Sheung, Chief Executive of the Group  
香港零售管理協會主席關百家先生頒發「2006香港工商業獎:顧客服務獎」予行政總裁黃偉常先生

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

- “Shine Collection II” based on the concept of “Jiang” from 2005 Platinum Guild International Jewellery Masterpiece
- “Blessing Collection” for Christmas
- 延續國際鉑金協會2005殿堂級作品『江』的「江映魅力系列II」
- 於聖誕節推出「心意系列」

### Sales Network

As at July 2007, the Group has 33 wholly owned retail outlets under the brand name of Luk Fook and 1 outlet under the brand name of Ice g. in Hong Kong, the PRC, Macau and Canada. The Group also operates a retail outlet “Luvina Jewelers” in the United States which is located in San Jose of California. In August and December of 2006, the Group set up 2 new Luk Fook branches in Mongkok and Shatin to cope with the growing demand in the 2 districts.

In line with our growth strategies to expand in the PRC market, the Group also established 3 self-operated shops in some of the busiest shopping centres in Beijing to grasp the enormous business opportunities brought by the upcoming Beijing Olympic Games to be held in 2008. The new shops further enlarged Luk Fook’s self-operated retail network in the PRC. As compared to the same period of last year, we have aggressively established about 90 licensee shops in the PRC throughout the year. The total number of the Group’s licensee shops in the PRC had increased to over 270 as at March 2007.

### 銷售網絡

截至2007年7月，本集團於香港、中國、澳門及加拿大共開設33間全資以六福品牌經營的分店及一間Ice g.品牌分店，亦於美國加州聖荷西開設名為「Luvina Jewelers」的零售店。於2006年8月及12月，本集團在旺角及沙田增設兩間六福分店，以應付該兩個地區與日俱增的需求。

為配合擴展中國市場的發展策略，本集團亦於北京其中一些人流最暢旺的購物中心開設3間自營店，以抓緊2008年北京奧運會帶來的龐大商機。新店進一步擴大六福於中國的自營店版圖。與去年同期相比，本集團於年內在全中國積極增加約90間品牌商，令本集團於2007年3月在中國的品牌商總數增至超逾270間。



2006 國際珠寶設計創意大賽  
International JDI Competition 2006

獎項 Award: 優異獎 Merit Award  
組別 Category: 專業創作組 Professional Category  
作品名稱 Title: 血墨 Born Gifts

2006 國際珠寶設計創意大賽  
International JDI Competition 2006

最佳工藝獎 Craftsmanship Award  
國際珠寶設計大賽 JDE Award  
蒲公英 Dandelion

2006 國際珠寶設計創意大賽  
International JDI Competition 2006

最佳整體美感獎 Overall Beauty Award  
國際珠寶設計大賽 JDE Award  
疊翠 Layers

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析



第八屆香港珠寶設計比賽  
The 8th Hong Kong Jewellery Design  
Competition

獎項 Award: 優異獎 Merit Award  
組別 Category: 其他類別 Other Categories  
作品名稱 Title: 流水的力量 Power of Flowing Water

第八屆香港珠寶設計比賽  
The 8th Hong Kong Jewellery Design  
Competition

優異獎 Merit Award  
耳環 Earrings  
夜彩 Chromatic Night

第八屆香港珠寶設計比賽  
The 8th Hong Kong Jewellery Design  
Competition

大獎 "Best of Show" Award  
始 Just Begin

### **Marketing and Promotion**

Marketing and promotion is an effective tool to boost sales and achieve loyalty among customers and thereby enhancing business.

To further strengthen Luk Fook's corporate brand image and bring additional value to the brand, we actively participated in a wide spectrum of activities in an attempt to further consolidate our brand positioning in the market.

Marketing and promotion expenditures represented approximately 1% of the turnover. Our branding strategy is designed to increase recognition, generate consumer traffic, acquire customers, build a loyal customer base and promote repeat purchases.

### **市場推廣及宣傳**

市場推廣及宣傳為刺激銷售及獲取顧客忠誠支持，從而推動業務增長之有效方法。

為進一步提升六福的企業品牌形象及為品牌增值，本集團積極參與多項推廣活動，務求進一步鞏固六福品牌於市場的地位。

廣告及推廣支出佔營業額約1%，本集團的品牌推廣策略在於提升品牌知名度、顧客流量，並爭取顧客及建立長遠的客戶關係，吸引顧客再次惠顧。

## MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

Our marketing and advertising campaigns are on a massive scale, They included ATL and BTL initiatives, which primarily comprised TV, prints, outdoors and targeted website advertising, affiliate programs, direct online marketing, and public relations and events featuring celebrities included:

- Sponsored the Diamond Crown and jewellery pieces for the winners of “Miss Hong Kong Pageant” for the 9th consecutive years
- Being the sole sponsor for the winner’s jewellery pieces in “Miss Asia Pageant 2006”
- Sponsored the jewellery pieces for the winners in “City Beauties Pageant 2006” in Guangzhou
- Sponsored the “Miss Chinese Pageant” in Vancouver and Toronto for several years
- 連續9年贊助「香港小姐」金鑽后冠及名貴珠寶首飾
- 擔任「2006年亞洲小姐」獨家珠寶贊助商
- 贊助廣州「2006年美在花城」選美活動的珠寶
- 多年來贊助溫哥華及多倫多華裔小姐選美活動

本集團的品牌推廣工作包括線上及線下模式，大規模投放的有電視廣告、平面雜誌媒體、戶外及目標互聯網廣告、網上直銷推廣及有大量名人參予之公關活動。包括：



第六屆國際南洋珠首飾設計比賽  
The 6th International South Sea Pearl Jewellery  
Design Competition

獎項 Award: 銀獎 Silver Award  
組別 Category: 戒指 Ring  
作品名稱 Title: 焦點 Focus



第六屆國際南洋珠首飾設計比賽  
The 6th International South Sea Pearl Jewellery  
Design Competition

金獎 Gold Award  
耳環 Earrings  
雪花釀 Vinify Snow

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

- Participated in numerous nationwide jewellery exhibitions in Chengdu, Guangzhou, Shenzhen and Hong Kong, including “HK Brands and Products Expo, Chengdu”, “Guangzhou International Jewellery Fair”, “The 7th Shenzhen International Jewellery Fair”, “HK Jewellery, Clock and Watch Fair” and “The 41th HK Brands and Products Expo”, etc.
- Being major advertising spender and prize sponsor in renowned television channels in Hong Kong and China
- The enormous success of our DTC Forevermark, World Gold Council and Perles De Tahiti campaign, and we made great progress striking the delicate balance between Luk Fook and fine jewellery as a place of romance and a place for self purchase
- Notable success included platinum and diamond “Shine” collection cooperated with the Platinum Guild International and the extension of the diamond wedding ring collection
- We introduced a wide range of new designs and collections at major festivals including Mother’s Day, Valentine’s Day, Christmas, National Day and Lunar New Year, creating excitement and broadening the appeal of our merchandise assortment
- 參與分別在成都、廣州、深圳及香港舉行之全國性大型展覽及國際性珠寶展覽，包括：「2006成都工展會」、「中國（廣州）國際黃金珠寶玉石展覽會」、「第7屆深圳國際珠寶展」、「香港珠寶鐘錶展」、「第41屆香港工業出品展銷會」等
- 於中國及香港主流電視頻道播放大量電視廣告及作為主要遊戲節目禮品贊助商
- 積極參與DTC Forevermark、世界黃金協會、大溪地珍珠國際宣傳協會之推廣活動，將六福與翠晶牌產品緊密結合，帶動婚嫁及自購性的選購
- 聯同國際鉑金協會共同推廣名為「江映魅力」的鉑金首飾系列及鑽石婚戒系列，深受女士們歡迎
- 於重要節日例如：母親節、情人節、聖誕節、十一國慶及農曆新年推出重點產品或全新系列及進行大型宣傳活動

### Brand Management

A reputable brand helps bolster customers’ purchasing confidence. Thus, we view brand building exercise as one of our main strategic focuses to enhance the Group’s sales performance.

### 品牌管理

品牌信譽昭著，能增加客戶購物信心，故本集團視建立品牌為提升銷售表現的主要策略重點之一。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

During the year, the Group obtained a number of awards as regards the Group's branding, for example, "The Best Brand Enterprises Award 2007 (Greater China)" organized by the Hong Kong Productivity Council, the "Superbrands 2006/07" Award organized by an independent arbiter of branding that operates in over 50 countries and regions worldwide, "My Favourite Top Ten Brands Hong Kong" in "The 4th Hong Kong and Macau Merchants of Integrity Award" organized by Guangzhou Daily and co-organized by Ming Pao, etc. The Group was also awarded the "Caring Company 2006/07" logo from The Hong Kong Council of Social Service as well, in recognition of its keen participation and commitment in facilitating corporate citizenship and supporting community events.

On top of the above, the Group was also ranked one of the top 10 Retailers (Other Retailers) in the 3rd Retail Asia Pacific Top 500 Awards (2006) among 14 economies by "Retail Asia", a renowned retail business magazine in Singapore.

We see every award as a vital recognition to the Group's endeavor to strengthen its brand. All the awards illustrated Luk Fook's committed efforts in the pursuit of brand excellence and verified Luk Fook's achievement in establishing an outstanding and unique brand image with a well-developed brand management system.

#### **Production**

In order to attain cost effectiveness and production efficiency, the Group produces gold ornaments and gem-set jewellery in the PRC as well as Hong Kong. Other than the sizable processing house in Hong Kong, the Group has invested approximately HK\$100,000,000 to establish a large manufacturing plant in Panyu, PRC, with a total floor area of over 350,000 square feet. The production capacity can be increased to 3 times of the old factory with the full operation of the new plant.

#### **Portal Operation**

The Group's jewellery portal "www.jewellworld.com" or "www.jw28.com" is 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 worldwide, but also an additional promotion and distribution channel for the Group. The Group believes that online shopping possesses huge business potentials and will become more popular.

年內，本集團在品牌建立方面屢獲殊榮，如獲香港生產力促進局頒發「最佳創建品牌企業獎2007（大中華區）」以及獲業務遍佈全球超過50個國家及地區的獨立品牌仲裁組織頒發2006/07年度「超級品牌」，另於廣州日報主辦及明報協辦的「第4屆港澳優質誠信商號」內榮膺「我至喜愛香港十大名牌」等。本集團亦獲香港社會服務聯會頒發2006/07年度「商界展關懷」標誌，表揚本集團積極參與及致力肩負企業公民責任以及支持社區活動。

除上述者外，本集團亦榮獲新加坡著名零售資訊雜誌「Retail Asia」，在14個經濟體系中，選為2006年度第3屆亞太區最佳零售商500強中，於「其他零售商」組別中之十大零售商之一。

我們視每一個獎項為對本集團努力不懈地鞏固品牌的肯定。所有獎項顯示六福力求品牌形象更臻完美，亦彰顯六福成功建立突出兼別樹一幟的品牌形象，且具備完善的品牌管理制度。

#### **生產**

為增加成本效益及生產效率，本集團於中國及香港生產黃金裝飾品及鑽石首飾。除於香港設有甚具規模的加工工場外，本集團亦斥資約100,000,000港元在中國番禺設立總樓面積超逾350,000平方呎的大型製造廠。新廠房全面投入運作後，產能可提升至舊廠房的三倍。

#### **網站業務**

本集團的珠寶網站「www.jewellworld.com」或「www.jw28.com」為通往國際珠寶業的電子門檻。網站不僅為全球珠寶製造商、批發商及零售商提供業務交易平台，亦可額外為本集團宣傳及作為分銷渠道。本集團相信，網上購物具有龐大商機，並會日趨普及。



## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論及分析

#### ACHIEVEMENTS

##### *Design*

The Group is well-known for its stylish designs of jewellery products. Every year, the Group's designers are appointed to different countries to attend exhibitions in an aim to get inspirations around the globe and nurture creative designs. During the year, the Group gained various awards from jewellery design competitions including International Jewelry Design Innovation Competition 2006, the 8th Hong Kong Jewellery Design Competition and the 6th International South Sea Pearl Jewellery Design Competition.

##### *Quality Assurance*

The Group is committed to maintaining the highest levels of product quality. To ensure the best quality of products, the Group set up its wholly owned subsidiary gems laboratory, China Gems Laboratory Limited, in 1996. Its scope of services includes authentication, grading of diamonds, and authentication of jades and colored gemstones and quality assessment of jewellery. The Laboratory was operated by dozens of certified gemologists who specialize in the authentication of gemstones and jade. Every year, the Laboratory tests for over 100,000 pieces of jewellery and gemstones on average. With the ISO 17025 qualification accredited by the Hong Kong Accreditation Service, the Laboratory also successfully met the principles of ISO 9001:2000 Quality Management Systems – Requirements, demonstrating the professional quality assurance system of the Group. China Gems Laboratory is the sole subsidiary laboratory of local jewellery retailer obtaining this qualification.

##### *Customer Service*

Excellent customer service is prominent for maintaining our competitiveness in the market. To foster excellent customer service, the Group is always devoted to continuous enhancement of our services.

During the year under review, the Group won the “2006 Hong Kong Top Brand Award” and “2006 Hong Kong Top Service Brand Award”. Luk Fook was also the only jewellery brand that gained the “2006 Hong Kong Awards for Industries: Customer Service Award” from the Hong Kong Retail Management Association. These awards, once again, confirmed the Group's successful customer-focused strategies to win the trust and recognition from customers and the industry.

##### 成就 設計

本集團的珠寶產品以設計時尚聞名。本集團的設計師每年均獲委派到不同國家、觀摩展覽，務求於世界各地啟發靈感，孕育創新設計。年內，本集團獲得獎項的珠寶設計比賽包括：2006國際珠寶設計創意大賽、第8屆香港珠寶設計比賽及第6屆國際南洋珠寶飾設計比賽。

##### 質量保證

本集團致力維持產品優秀品質。為確保產品的最佳質素，本集團於1996年成立全資附屬公司－中華珠寶鑑定中心。中華珠寶鑑定中心的服務範圍包括鑽石鑑定、評級，以及翡翠及有色寶石鑑定及珠寶質量評估。該中心由數十名寶石及翡翠鑑定的專門認可寶石鑑定師運作，每年平均測試超過100,000件珠寶及寶石。除獲香港認可處頒發ISO 17025認證外，該中心亦成功符合ISO 9001:2000品質管理系統的準則，足證本集團的品質保證系統達致專業水平。中華珠寶鑑定中心為全港唯一一間有此認證之珠寶零售商附屬鑑定中心。

##### 客戶服務

優質客戶服務乃保持本集團市場競爭優勢之關鍵。為提供優質客戶服務，本集團一直專注持續提升服務水平。

於回顧年度，本集團榮膺「2006香港卓越名牌」及「2006香港服務名牌」兩項殊榮。六福亦是唯一獲香港零售管理協會頒發「2006香港工商業獎：顧客服務獎」的珠寶品牌。此等獎項再次肯定本集團以客為先的策略成效卓著，贏得客戶及同業的信任及認同。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### *Liquidity and Financial Resources*

The Group's core business is gold and jewellery retailing. As at 31st March 2007, the Group's cash on hand reached approximately HK\$175 million (2006: HK\$109 million). The Group's debt-to-equity ratio at the year-end, being the proportion of total debts of approximately HK\$257 million (2006: HK\$171 million) against total shareholders' equity of approximately HK\$850 million (2006: HK\$715 million), was 30.2% (2006: 23.9%).

The Group's income and expenditure streams are mainly denominated in Hong Kong dollars.

#### *Capital Expenditure*

During the year under review, the Group incurred capital expenditures of approximately HK\$28 million (2006: HK\$34 million), including the costs of leasehold improvement, furniture, fixture and equipment.

#### *Capital Commitments*

As at 31st March 2007, the Group had total capital commitments in respect of acquisition of property, plant and equipment of approximately HK\$7 million (2006: HK\$9 million).

#### *Contingent Liabilities*

The Group did not have any significant contingent liabilities at 31st March 2007 and 31st March 2006.

#### *Employment, Training, Development and Recruitment Remuneration Policy*

As at 31st March 2007, the number of employees of the Group was approximately 2,124 (2006: 1,726). Remuneration policies are reviewed and approved by management on a regular basis. Remuneration packages are structured to take into account the comparable level of the market. Bonus and other merit payments are linked to success of the Group and performance of individual employee. The policy is to encourage employees to optimize business performance by providing them with financial incentives.

### 財務回顧

#### *流動資金及財務資源*

本集團的核心業務為金飾及珠寶零售。截至2007年3月31日，本集團的手頭現金約達175,000,000港元（2006年：109,000,000港元）。本集團於年結日的資本負債比率為30.2%（2006年：23.9%），此乃按總負債約257,000,000港元（2006年：171,000,000港元）相對股東權益總額約850,000,000港元（2006年：715,000,000港元）之比例計算。

本集團之收支項目主要以港元列值。

#### *資本開支*

於回顧年內，本集團之資本開支約為28,000,000港元（2006年：34,000,000港元），包括租賃物業裝修、傢俬、裝置及設備成本。

#### *資本承擔*

本集團於2007年3月31日之資本承擔約為7,000,000港元（2006年：9,000,000港元），包括購買物業、廠房及設備成本。

#### *或然負債*

本集團於2007年3月31日及2006年3月31日並無任何重大或然負債。

#### *招聘、培訓、發展及薪酬策略*

截至2007年3月31日，本集團的員工數目約為2,124人（2006年：1,726人）。管理層定期檢討及審批薪酬政策。薪酬組合乃經考慮市場相若水平後釐定。花紅及其他表現獎賞則與本集團成就及個別員工的表現掛鈎。此政策旨在以酬金獎賞提升員工之工作表現。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

For the year ended 31st March 2007, the Company had properly applied the principles of the Code on Corporate Governance Practices contained in Appendix 14 (the “Code”) included in the Rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as follows:

#### A. *Directors*

- A.1 The Company is supervised by a Board of Directors who assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and strategising the Company’s affairs. They make decisions objectively in the interests of the Company.
- A.2 An independent non-executive director acts as the Board Chairman while an executive director acts as the Chief Executive. There is a clear division of responsibilities for the management of the Board and the day-to-day management of the Company’s business to ensure a balance of power and authority.
- A.3 The Board comprises 4 executive directors, 5 non-executive directors and 3 independent non-executive directors. They include persons with a wealth of practical experiences in the jewellery industry, accountancy profession, legal profession, general trading and the securities industry. It has a balance of skills and experiences appropriate for the requirements of the Company’s business. The directors’ respective roles and biographies are set out on pages 41 to 48.
- A.4 All directors except the Chairman are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the Company’s Bye-laws. Deviation from the Code is explained in note (a) set out below.

### 企業管治常規

於截至2007年3月31日止年度，本公司一直妥善應用香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治常規守則（「守則」）之原則，詳情如下：

#### A. *董事*

- A.1 本公司由董事會監督，董事會負責領導及監管本公司，並集體負責指引及策劃本公司之事務，以促進本公司之營商成功。彼等以本公司之利益作出客觀決定。
- A.2 獨立非執行董事出任董事會主席，而執行董事出任行政總裁。清楚劃分董事會管理與本公司日常業務管理之職責，以確保權力與職權平均分配。
- A.3 董事會由四名執行董事、五名非執行董事及三名獨立非執行董事組成，當中包括於珠寶行業、會計專業、法律專業、一般貿易及證券行業具廣泛實務經驗之人士，亦具備符合本公司業務所需之技術及經驗。各董事之職責及履歷載於第41至48頁。
- A.4 全體董事（主席除外）須根據本公司之公司細則，於本公司股東週年大會上輪值告退及重選連任。有關偏離守則之說明見下文附註(a)。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

(Continued)

#### A. Directors (Continued)

- A.5 Every director is continuously-reminded of the requirement to keep abreast of his responsibility as a director of the Company, with reference to the Listing Rules and the Company Laws inclusive, and of the conduct, business activities and development of the Company. Every independent non-executive director also confirms annually his independence status to the Company pursuant to the Listing Rules.
- A.6 Directors are provided with appropriate information to enable them to make an informed decision and to discharge their duties and responsibilities as directors of the Company.

#### B. Remuneration of Directors and Senior Management

- B.1 Information relating to the Company's directors' remuneration policy and other remuneration related matters are disclosed in the Company's annual report. The Remuneration Committee is responsible for setting policy on the remuneration of executive directors and senior management and for fixing the remuneration packages. The level of remuneration is sufficient to attract and retain the directors needed to run the Company successfully. No director is involved in deciding his own remuneration.

#### C. Accountability and Audit

- C.1 The directors are responsible for preparing the financial statements of each financial period, which give a true and fair view of the state of affairs of the Company and of the Group as at the financial period end and of the result and cash flows of the Group for the year. In the Company's interim and annual reports which are issued within the time limits stipulated by the Listing Rules, the Board presents a balanced, clear and comprehensive assessment of the Company's performance, position and prospects. The published financial statements adopt, and consistently apply, suitable accounting policies complying with Hong Kong Financial Reporting Standards.

### 企業管治常規 (續)

#### A. 董事 (續)

- A.5 本公司不斷提醒各董事，恪守上市規則及公司法之規定，履行本公司董事之職責，並緊貼本公司最新業務進展、業務活動及發展。各獨立非執行董事亦會根據上市規則每年確認彼等之獨立身分。
- A.6 董事均獲提供適當資料，以便彼等作出知情決定及履行彼等作為本公司董事之職務及職責。

#### B. 董事及高級管理層薪酬

- B.1 與本公司董事薪酬政策有關之資料及其他薪酬相關事宜於本公司之年報內披露。薪酬委員會負責制訂執行董事及高級管理層之薪酬政策，以及釐訂薪酬待遇。薪酬水平足以吸引及留聘董事，為本公司之營商成功作出努力。概無董事參與釐訂彼本身之薪酬。

#### C. 責任及審核

- C.1 董事負責編製各財政期間之財務報表，以真實公平反映本公司及本集團於財政期間結束時之狀況，以及本集團於該年度之業績及現金流量。於本公司在上市規則所規定時限內刊發之中期報告及年報內，董事會對本公司之表現、狀況及前景作出持平、清晰及全面之評估。所刊發財務報表採納及貫徹應用符合香港財務報告準則之會計政策。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

(Continued)

#### **C. Accountability and Audit (Continued)**

- C.2 The Board ensures the Company maintains sound and effective internal control to safeguard the shareholders' interest and the Company's assets. The Audit Committee, with the assistance of the Internal Audit Team, regularly reviews the effectiveness of the Company's internal control system. The Head of the Internal Audit Team directly reports to the Audit Committee.
- C.3 The Board establishes monitoring and procedural guidelines for considering how it will apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the Company's external auditors. The Audit Committee established by the Company pursuant to the Listing Rules has clear terms of reference.

#### **D. Delegation by the Board**

- D.1 The Company has a formal schedule of matters specifically reserved to the Board for its decision. The Board gives clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Company.
- D.2 The Audit Committee and Remuneration Committee were formed with specific written terms of reference that deal clearly with the committees' authority and duties. Such terms of reference are made available to the public. Deviation from the Code during the year is explained in note (b) set out below.

### 企業管治常規 (續)

#### **C. 責任及審核 (續)**

- C.2 董事會確保本公司維持健全及有效率之內部監控，以保障股東之權益及本公司之資產。審核委員會在內部審核小組之協助下，定期檢討本公司內部監控制度之效率。內部審核小組主管直接向審核委員會報告。
- C.3 董事會就如何應用財務報告及內部監控原則以及與本公司之外聘核數師維持適當關係，制定監管及程序指引。本公司根據上市規則成立之審核委員會具清晰職權範圍。

#### **D. 董事會之授權**

- D.1 本公司已正式表列指定留待董事會決定之事宜。董事會已就須董事會批准方可代表本公司作出決定之事宜，向管理層發出清楚指示。
- D.2 審核委員會及薪酬委員會具有明確書面職權範圍，清楚列明委員會之權力及職務。該等職權範圍可供公眾查閱。年內偏離守則之情況於下文附註(b)闡述。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

(Continued)

#### E. Communication with Shareholders

E.1 The Board maintains an on-going dialogue with shareholders and in particular, endeavors to provide transparency and uses the annual general meetings to communicate with shareholders and invites their participation in certain marketing events. Besides, the Company's official website serves as a handy communication channel for the shareholders. Press releases and announcements about the Company's business affairs are made from time to time.

E.2 The Company informs shareholders of the procedure for voting by poll in the circular to shareholders, and ensures compliance with the requirements about voting by poll contained in the Listing Rules and the Company's Bye-laws.

*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 year ended 31st March 2007, in compliance with the Code except for the following deviations from certain Code Provisions:*

*Note (a) Code Provision A.4.2*

*Code: All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.*

*Deviation: In accordance with the Company's Bye-laws, all directors appointed to fill a casual vacancy is subject to election by shareholders at the next annual general meeting after their appointment. Moreover, one-third of the directors shall retire from office by rotation save any director holding office as Chairman or Managing Director.*

### 企業管治常規 (續)

#### E. 與股東之通訊

E.1 董事會與股東保持溝通，尤其致力提高透明度，並透過股東週年大會與股東溝通及邀請彼等參與若干市場推廣活動。此外，本公司之網站亦為與股東溝通之便利渠道。本公司亦不時就本公司之業務發表新聞稿及公佈。

E.2 本公司於股東通函內知會股東按股數投票表決之程序，並確保符合上市規則及本公司之公司細則所載有關按股數投票表決方式之規定。

董事概不知悉有任何資料可合理顯示本公司現時或於截至2007年3月31日止年度任何時間曾經違反守則，惟以下偏離若干守則條文之情況除外：

附註(a)守則條文A.4.2

守則：所有為填補臨時空缺而獲委任之董事應在彼等獲委任後首次股東大會接受股東選舉。每名董事（包括按指定任期獲委任者）須最少每三年輪值告退一次。

偏離：根據本公司公司細則，所有獲委任填補臨時空缺之董事須於彼等獲委任後舉行之股東週年大會上接受股東選舉。此外，除兼任主席或董事總經理之任何董事外，三分一董事須輪值退任。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### CORPORATE GOVERNANCE PRACTICES (Continued)

*Remedy:* A special resolution was proposed at the annual general meeting held on 24th August 2006 to amend the Company's Bye-laws in order that one-third of all the directors shall retire from office by rotation, and that all directors appointed to fill a casual vacancy is subject to election by shareholders at the next general meeting after their appointment.

*Note (b) Code Provisions B.1.4 & C.3.4*

*Code:* The Remuneration Committee and the Audit Committee should make available their terms of reference, explaining their role and the authority delegated to them by the Board.

*Deviation:* During the period ended 30th September 2006, such terms of reference were not available to the public.

*Remedy:* At present, such terms of reference are displayed in the Company's official website at [www.lukfook.com.hk](http://www.lukfook.com.hk) and are available to the public.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company adopts the Model Code set out in Appendix 10 of the Listing Rules as a code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors, it is confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions in relation to the year ended 31st March 2007.

### 企業管治常規 (續)

*修正:* 已於2006年8月24日舉行之股東週年大會提呈特別決議案,修訂本公司之公司細則,致使三分一董事須輪值告退,另所有獲委任填補臨時空缺之董事須於彼等獲委任後舉行之股東大會接受股東選舉。

*附註(b)守則條文B.1.4及C.3.4*

*守則:* 薪酬委員會及審核委員會須提供其職權範圍、解釋其角色及董事會向其授出之權力。

*偏離:* 於截至2006年9月30日止期間內,該等職權範圍尚未提供予公眾查閱。

*修正:* 目前,該等職權範圍已於本公司網站 [www.lukfook.com.hk](http://www.lukfook.com.hk) 刊載以供公眾查閱。

### 董事進行證券交易

本公司已採納上市規則附錄十所載標準守則,作為董事進行證券交易之操守準則。經向全體董事作出具體查詢後,彼等確認,彼等於截至2007年3月31日止年度一直遵守標準守則所載規定準則及有關董事進行證券交易之操守準則。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### BOARD OF DIRECTORS

During the year ended 31st March 2007, the Company's board of directors comprised 4 executive directors, 5 non-executive directors and 3 independent non-executive directors. Individual directors' attendance at board meetings during the year were as follows:

### 董事會

於截至2007年3月31日止年度內，本公司董事會由四名執行董事、五名非執行董事及三名獨立非執行董事組成。年內，個別董事出席董事會會議之情況如下：

Total number of Board meetings: 9	召開董事會會議總次數: 9次	Attendance 出席率	
<i>Executive Directors</i>			
Mr. WONG Wai Sheung ( <i>Chief Executive</i> )	黃偉常先生 ( <i>行政總裁</i> )	8/9	89%
Mr. TSE Moon Chuen	謝滿全先生	8/9	89%
Mr. LAW Tim Fuk, Paul	羅添福先生	9/9	100%
Mr. LAU Kwok Sum	劉國森先生	7/9	78%
<i>Non-executive Directors</i>			
Mr. WONG Koon Cheung	黃冠章先生	8/9	89%
Mr. CHAN Wai	陳偉先生	8/9	89%
Mr. LEE Shu Kuan	李樹坤先生	8/9	89%
Miss YEUNG Po Ling, Pauline	楊寶玲小姐	0/9	0%
Mr. HUI King Wai	許競威先生	7/9	78%
<i>Independent Non-executive Directors</i>			
Mr. CHIU Wai Mo	趙偉武先生	6/9	67%
Mr. HUI Chiu Chung	許照中先生	7/9	78%
Mr. LO Mun Lam, Raymond ( <i>Chairman</i> )	盧敏霖先生 ( <i>主席</i> )	8/9	89%
Average	平均		72%

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board controls the business but delegate day-to-day responsibility to the executive management. The Board sets the Company's strategic aims, values and standards and ensures that its obligations to its shareholders and others are understood and met. In the interests of the Company, a number of matters are reserved by the Board. Certain matters are the subject of recommendations by the Audit Committee or Remuneration Committee. The Company Secretary, referring to the list of reserved matters for the Board, assists the Chairman in establishing the agenda of Board meetings. Each director may also request inclusion of items in the agenda. Minutes of the Board/Committee meetings are open for inspection by the directors.

董事會之職責為肩負領導本公司之角色，於審慎有效之企業架構內評估及管理風險。董事會監管業務，而日常業務運作則交由執行管理層負責。董事會制訂本公司之策略目標、價值及標準，確保其成員瞭解及履行對股東及其他投資者之責任。基於本公司之利益，有多項事宜指定留待董事會決定。若干事宜由審核委員會或薪酬委員會提供建議。公司秘書經參考指定留待董事會議決事項列表後，協助主席制訂董事會會議議程。各董事可要求於議程內加入討論項目。董事會／委員會會議記錄可供董事查閱。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### CHAIRMAN AND CHIEF EXECUTIVE

Mr. LO Mun Lam, Raymond, an independent non-executive director, acts as Chairman of the Board, while Mr. WONG Wai Sheung, an executive director, acts as the Chief Executive. Their roles are segregated and therefore are not exercised by the same individual. The Chairman is responsible for the leadership and effective running of the Board. The Chief Executive is delegated with the authority and responsible for running the Company's business, implementing the Company's strategies in achieving business objectives.

#### NON-EXECUTIVE DIRECTORS

All the non-executive directors are appointed for two years, and the existing appointments last until 31st March 2008.

#### REMUNERATION OF DIRECTORS

In compliance with the Code, the Board on 7th April 2005 established a Remuneration Committee comprising 3 independent non-executive directors and 2 executive directors. The remuneration committee is to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management; to determine the specific remuneration packages; to review and approve performance-based remuneration; to review and approve the compensation payable in connection with any loss or termination of office or appointment of directors and senior management; to oversee any major changes in employee benefits structures throughout the Company or the Group; and to review the ongoing appropriateness and relevance of the remuneration policy.

#### 主席及行政總裁

獨立非執行董事盧敏霖先生出任董事會主席，執行董事黃偉常先生出任行政總裁。彼等之角色有所區分，並非由同一人士擔任。主席負責領導董事會及致使其有效運作。行政總裁獲授權力，負責本公司業務營運、推行本公司之策略，以實踐業務目標。

#### 非執行董事

所有非執行董事之任期為兩年，現有任期於2008年3月31日屆滿。

#### 董事酬金

為符合守則規定，董事會於2005年4月7日成立薪酬委員會，由三名獨立非執行董事及兩名執行董事組成。薪酬委員會就本公司全體董事及高級管理人員之薪酬政策及結構向董事會作出建議、釐訂具體薪酬組合、檢討及審批與績效表現掛鈎之薪酬、檢討及審批與離職或終止受聘或委任董事及高級管理人員有關之應付補償、監管本公司或本集團僱員福利結構之任何主要變動；以及檢討薪酬政策是否合適。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### REMUNERATION OF DIRECTORS (Continued)

Individual committee members' attendance at Remuneration Committee meetings during the year were as follows:

### 董事酬金(續)

個別委員會成員於年內出席薪酬委員會會議之情況如下:

Total number of Remuneration Committee meetings: 2	召開薪酬委員會會議總次數: 2次	Attendance 出席率	
<i>Executive Directors</i>			
Mr. WONG Wai Sheung	黃偉常先生	2/2	100%
Mr. TSE Moon Chuen	謝滿全先生	2/2	100%
<i>Independent Non-executive Directors</i>			
Mr. CHIU Wai Mo	趙偉武先生	2/2	100%
Mr. HUI Chiu Chung (Committee Chairman)	許照中先生 (委員會主席)	2/2	100%
Mr. LO Mun Lam, Raymond	盧敏霖先生	2/2	100%
Average	平均		100%

In July and December 2006, the Remuneration Committee held 2 meetings to review the policies for determining annual salary increments for the calendar year 2007, to approve the payment of the discretionary year end bonus for 2006, to consider the feasibility of setting up an incentive bonus scheme for all non-sales employees working at the Head Office, to review the enhanced scheme for granting employees' annual leave, and to approve the outsourcing of a group medical plan for all employees up to the supervisor level.

於2006年7月及12月,薪酬委員會召開兩次會議檢討政策,以釐訂2007曆年之年度薪金加幅、批准支付2006年年終酌情花紅、考慮為總辦事處所有非銷售僱員設立獎勵花紅計劃之可行性、檢討批授僱員年假之改善計劃,以及批准由外界承辦為所有監管人員或以下級別僱員而設之本集團醫療計劃。

Particulars of the Directors' emoluments disclosed pursuant to Appendix 16 of the Listing Rules are set out in note 16 to the financial statements.

根據上市規則附錄16披露之董事酬金詳情載於財務報表附註16。

### NOMINATION OF DIRECTORS

The Board is directly responsible for the nomination procedures, process and criteria adopted to select and recommend candidates for directorship. No nomination of directors was processed during the year ended 31st March 2007.

### 董事提名

董事會直接負責按所採納之提名程序、手續及標準,甄選及推薦董事人選。截至2007年3月31日止年度內,概無辦理任何董事提名程序。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### AUDITOR'S REMUNERATION

Analysis of remuneration in respect of audit and non-audit services provided by the external auditor, PricewaterhouseCoopers, Certified Public Accountants, are as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Audit services	審計服務	2,846	2,666
Non-audit services	非審計服務	88	350
Total	總計	<u>2,934</u>	<u>3,016</u>

The responsibilities of the external auditor with respect to financial reporting are stated in the Independent Auditor's Report.

### 核數師酬金

有關外聘核數師羅兵咸永道會計師事務所(執業會計師)提供審計及非審計服務之酬金分析如下:

外聘核數師於財務報告方面之職責,載於獨立核數師報告內。

### AUDIT COMMITTEE

In compliance with the Code of Best Practice applicable before 1st January 2005, the Board established an Audit Committee on 1st February 1999, comprising 3 independent non-executive directors, in order to monitor the accounting and financial reporting practices and internal control systems of the Company. During the year ended 31st March 2007, the Audit Committee held 5 meetings to consider matters including the 2006 annual report of the Company, internal controls, the unaudited interim condensed consolidated financial information for the six months ended 30th September 2006, and the Company's IT control environment.

Individual committee members' attendance at Audit Committee meetings during the year were as follows:

### 審核委員會

為遵守於2005年1月1日前適用之最佳應用守則,董事會已於1999年2月1日成立由三名獨立非執行董事組成之審核委員會,藉以監察本公司之會計及財務報告實務以及內部監控制度。於截至2007年3月31日止年度內,審核委員會曾舉行五次會議,以考慮包括本公司2006年年報、內部監控、截至2006年9月30日止六個月之未經審核中期簡明綜合財務資料以及本公司資訊科技控制環境等事宜。

於年內個別審核委員會成員出席會議之情況如下:

Total number of audit committee meetings: 5	審核委員會會議總次數:5次	Attendance 出席率	
<i>Independent Non-executive Directors</i>			
Mr. CHIU Wai Mo	獨立非執行董事 趙偉武先生	5/5	100%
Mr. HUI Chiu Chung	許照中先生	5/5	100%
Mr. LO Mun Lam, Raymond (Committee Chairman)	盧敏霖先生 (委員會主席)	5/5	100%

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INTERNAL CONTROL

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness through the Audit Committee.

The internal control system is designed to provide assurance on the effectiveness and efficiency of operations, reliability of business record, and the compliance with Company's policies and procedures.

The system aims to provide reasonable, but not absolute, assurance against material misstatement or loss rather than eliminate risks of failure in operational systems, and to ensure achievement of the Company's objectives.

### INTERNAL AUDIT

The internal audit is an independent function undertaken by the Internal Audit Team reporting administratively to the Company's management and functionally to the Audit Committee. The Internal Audit Team is authorized to obtain all information necessary to accomplish internal audit work.

A risk based audit approach has been adopted by the Internal Audit Team. Internal control reviews are arranged regularly while paying close attention to business or operation changes. Regular audit tests are carried out to ensure key controls are operational. The Internal Audit Team conducts other projects and investigating work as may be required.

Any significant internal audit findings are discussed with respective department heads to have actions agreed and subsequently followed up, in order to ensure that satisfactory control is maintained.

In each half-yearly work plan, manning levels of the Internal Audit Team are agreed with the Audit Committee. A summary of the internal audit activities and audit results are also submitted to the Audit Committee twice a year.

### 內部監控

董事會負責本公司內部監控制度，並透過審核委員會檢討其成效。

內部監控制度專為確保業務有效運作、營業記錄之可靠程度以及遵照本公司的政策及程序而設。

該系統旨在合理（而非絕對）確保不會出現重大錯誤陳述或損失，而並非完全剔除營運系統失誤之風險，以及確保實現本公司目標。

### 內部審核

內部審核為內部審核小組負責的獨立工作，並分別向本公司管理層及審核委員會作出行政及功能匯報。內部審核小組獲授權取得一切所需資料，以完成內部審核工作。

內部審核小組採用風險主導審核方針，並定期檢討內部監控，密切注意業務或營運變動，定期進行審核測試，以確保主要監控正常運作。內部審核小組亦視乎需要進行其他項目及調查工作。

任何重大內部審核結果均與各有關部門主管討論，議定行動並作出跟進，以確保維持滿意監控。

於各半年工作計劃內，內部審核小組與審核委員會議定人員配備水平，並每年兩次向審核委員會提交內部審核活動概要及審核結果。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31st March 2007, save as disclosed below, none of the directors and chief executive of the Company had interests and short positions in the shares, underlying shares and debentures of the issuer or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (a) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Exchange:

#### I. Long positions in shares and underlying shares of the Company

Name of Director 董事姓名	Beneficial Owner 實益擁有人	Child under 18 or Spouse 18歲以下 子女或配偶	Controlled Corporation 受控制法團	Beneficiary of Trust 信託受益人	Share Option 購股權	TOTAL INTEREST 權益總額	% of Shares 股份百分比
Mr. WONG Wai Sheung 黃偉常先生	7,154,878		245,144,176 <i>note (a) &amp; (b)</i> 附註(a)及(b)	2,511,050 <i>note (c)</i> 附註(c)		254,810,104	51.74%
Mr. TSE Moon Chuen 謝滿全先生	23,344		245,144,176 <i>note (a) &amp; (b)</i> 附註(a)及(b)			245,167,520	49.78%
Mr. WONG Koon Cheung 黃冠章先生	2,678,090		245,144,176 <i>note (a) &amp; (b)</i> 附註(a)及(b)			247,822,266	50.32%
Mr. CHAN Wai 陳偉先生	3,899,022		245,144,176 <i>note (a) &amp; (b)</i> 附註(a)及(b)			249,043,198	50.57%
Mr. LEE Shu Kuan 李樹坤先生	5,634,579	735,650 <i>note (f)</i> 附註(f)	247,730,800 <i>note (a), (b), (d) &amp; (e)</i> 附註(a)、(b)、(d)及(e)			254,101,029	51.59%

### 董事於證券之權益及淡倉

於2007年3月31日，除下文披露者外，本公司董事及行政總裁概無於發行人或任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中擁有權益及淡倉，而(a)根據證券及期貨條例第352條須記入該條所述登記冊；或(b)根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所：

#### I. 於本公司股份及相關股份之好倉

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

#### I. Long positions in shares and underlying shares of the Company (Continued)

Note (a)

Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE Shu Kuan and Mr. WONG Koon Cheung were also directors, and together with their associates collectively controlled over one-half of the voting power, of Luk Fook (Control) Limited which held 231,858,000 shares in the Company. These directors were deemed to be interested in the same shares, relevant disclosures were therefore duplicated for the purpose of SFO.

Note (b)

Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE Shu Kuan and Mr. WONG Koon Cheung were also directors, and together with their associates collectively controlled over one-third of the voting power, of Dragon King Investment Ltd. which held 13,286,176 shares in the Company. These directors were deemed to be interested in the same shares, relevant disclosures were therefore duplicated for the purpose of SFO.

Note (c)

Mr. WONG Wai Sheung and his family were discretionary beneficiaries of the Wong's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which was the beneficial owner of 2,511,050 shares of the Company.

Note (d)

Mr. LEE Shu Kuan held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited which in turn held 630,624 shares of the Company.

Note (e)

Mr. LEE Shu Kuan held 51% of the entire issued share capital of Wah Hang Kimon Holdings Limited which in turn held 1,956,000 shares of the Company.

Note (f)

The estate of Ms. FONG Chi Ling (deceased) held 735,650 shares of the Company. Ms. Fong was the spouse of Mr. LEE Shu Kuan.

### 董事於證券之權益及淡倉 (續)

#### I. 於本公司股份及相關股份之好倉 (續)

附註(a)

黃偉常先生、謝滿全先生、陳偉先生、李樹坤先生及黃冠章先生亦為董事，連同彼等之聯繫人士共同控制六福(控股)有限公司過半數投票權，而六福(控股)有限公司則持有本公司231,858,000股股份。該等董事被視為於相同股份中擁有權益，就證券及期貨條例而言，有關披露因而屬重複。

附註(b)

黃偉常先生、謝滿全先生、陳偉先生、李樹坤先生及黃冠章先生亦為董事，連同彼等之聯繫人士共同控制龍寶投資有限公司三分之一以上投票權，而龍寶投資有限公司則持有本公司13,286,176股股份。該等董事被視為於相同股份中擁有權益，就證券及期貨條例而言，有關披露因而屬重複。

附註(c)

黃偉常先生及彼之家屬為黃氏家族信託(「該信託」)之全權受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，而桂記祥珠寶金行有限公司則為本公司2,511,050股股份之實益擁有人。

附註(d)

李樹坤先生持有華亨錦安投資有限公司全部已發行股本之33.3%，而華亨錦安投資有限公司則持有本公司630,624股股份。

附註(e)

李樹坤先生持有華亨錦安控股有限公司全部已發行股本之51%，而華亨錦安控股有限公司則持有本公司1,956,000股股份。

附註(f)

方志玲女士(已故)之遺產持有本公司735,650股股份。方女士為李樹坤先生之配偶。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

#### II. Long positions in shares and underlying shares of Luk Fook (Control) Limited, the ultimate holding company

### 董事於證券之權益及淡倉 (續)

#### II. 於最終控股公司六福(控股)有限公司股份及相關股份之好倉

Name of Director	Beneficial Owner	Child under 18 or Spouse 18歲以下 子女或配偶	Controlled Corporation 受控制法團	Beneficiary of Trust 信託受益人	TOTAL INTEREST 權益總額	% of Shares 股份百分比
董事姓名	實益擁有人				權益總額	股份百分比
Mr. WONG Wai Sheung 黃偉常先生	1,556,357			35,263,052 <i>note (a)</i> 附註(a)	36,819,409	36.82%
Mr. TSE Moon Chuen 謝滿全先生	837,854	82,853 <i>note (b)</i> 附註(b)			920,707	0.92%
Mr. LAU Kwok Sum 劉國森先生	1,600				1,600	0.002%
Mr. WONG Koon Cheung 黃冠章先生			4,553,433 <i>note (c)</i> 附註(c)		4,553,433	4.55%
Mr. CHAN Wai 陳偉先生	6,606,643				6,606,643	6.61%
Mr. LEE Shu Kuan 李樹坤先生	6,613,544	645,307 <i>note (d)</i> 附註(d)	1,093,575 <i>note (e)</i> 附註(e)		8,352,426	8.35%
Miss YEUNG Po Ling, Pauline 楊寶玲小姐	60,000				60,000	0.06%

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

#### II. Long positions in shares and underlying shares of Luk Fook (Control) Limited, the ultimate holding company (Continued)

Note (a)

Mr. WONG Wai Sheung and his family were discretionary beneficiaries of the Wong's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which was the beneficial owner of 35,263,052 shares of Luk Fook (Control) Limited.

Note (b)

Mr. TSE Moon Chuen's spouse, Ms. FONG Anissa King, held 82,853 shares of Luk Fook (Control) Limited.

Note (c)

Mr. WONG Koon Cheung together his spouse, Ms. SO Lai Sheung, controlled the entire issued share capital of WKC Investments Limited which in turn held 4,553,433 shares of Luk Fook (Control) Limited.

Note (d)

The estate of Ms. FONG Chi Ling (deceased) held 645,307 shares of Luk Fook (Control) Limited. Ms. Fong was the spouse of Mr. LEE Shu Kuan.

Note (e)

Mr. LEE Shu Kuan held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited which in turn held 1,093,575 shares of Luk Fook (Control) Limited.

### 董事於證券之權益及淡倉 (續)

#### II. 於最終控股公司六福(控股)有限公司股份及相關股份之好倉(續)

附註(a)

黃偉常先生及彼之家屬為黃氏家族信託(「該信託」)之全權受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人,而桂記祥珠寶金行有限公司則為六福(控股)有限公司35,263,052股股份之實益擁有人。

附註(b)

謝滿全先生之配偶方惠瓊女士持有六福(控股)有限公司82,853股股份。

附註(c)

黃冠章先生連同彼之配偶蘇麗湘女士控制WKC Investments Limited全部已發行股本,而WKC Investments Limited則持有六福(控股)有限公司4,553,433股股份。

附註(d)

方志玲女士(已故)之遺產持有六福(控股)有限公司645,307股股份。方女士為李樹坤先生之配偶。

附註(e)

李樹坤先生持有華亨錦安投資有限公司全部已發行股本之33.3%,而華亨錦安投資有限公司則持有六福(控股)有限公司1,093,575股股份。



## CORPORATE GOVERNANCE REPORT

### 企業管治報告

#### SUBSTANTIAL SHAREHOLDERS

As at 31st March 2007, save as disclosed below, so far as is known to any director or chief executive of the Company, no person, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 主要股東

於2007年3月31日，除下文披露者外，據本公司任何董事或行政總裁所知，除本公司董事或行政總裁外，概無任何人士於本公司股份及相關股份中擁有權益或淡倉而根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露。

Name of Shareholder 股東名稱	Beneficial Owner 實益擁有人	Controlled Corporation 受控制法團	TOTAL INTEREST 權益總額	% of Shares 股份百分比
Luk Fook (Control) Limited 六福(控股)有限公司	231,858,000	–	231,858,000	47.08%

# NOTICE OF ANNUAL GENERAL MEETING

## 股東週年大會通告

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at 25/F., BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong on 23rd August 2007 (Thursday) at 11:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31st March 2007.
2. To declare the final dividend for the year ended 31st March 2007.
3. To re-elect the retiring Directors, to authorise the Board to fix the remuneration of Directors and to appoint additional Directors.
4. To re-appoint Auditors and to authorise the Board to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

**茲通告**本公司謹訂於2007年8月23日(星期四)上午11時30分假座香港九龍觀塘觀塘道418號創紀之城第五期東亞銀行中心25樓舉行股東週年大會,以處理下列事項:

1. 省覽截至2007年3月31日止年度經審核綜合財務報表、董事會報告及核數師報告。
2. 宣派截至2007年3月31日止年度末期股息。
3. 重選退任董事、授權董事會釐定董事酬金及委任額外董事。
4. 續聘核數師及授權董事會釐定其酬金。
5. 作為特別事項,考慮及酌情通過(無論有否修訂)下列決議案為普通決議案:

**「動議:**

- (a) 在下文(c)段之規限下,一般及無條件批准本公司董事於有關期間(定義見下文(d)段)內行使本公司一切權力,以配發、發行及處理本公司股本中額外股份,以及作出或授出可能需要行使有關權力之售股建議、協議及購股權;
- (b) 上文(a)段之批准將授權本公司董事於有關期間內作出或授出可能需於有關期間結束後行使有關權力之售股建議、協議及購股權;

## NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as defined in paragraph (d) below) or pursuant to an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to executives and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or any script dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and
- (d) for the purposes of this Resolution:
- “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; or
  - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and
- (c) 本公司董事根據上文(a)段之批准所配發或有條件或無條件同意配發(不論根據購股權或其他方式)之股本面值總額,除根據配售新股(定義見下文(d)段),或根據當時採納之任何購股權計劃或就向本公司及/或其任何附屬公司之行政人員及/或僱員授出或發行股份或收購本公司股份之權利之類似安排而發行股份,或根據本公司之細則進行任何以股代息或規定配發股份以代替本公司股份之全部或部分股息之類似安排外,不得超過於本決議案日期本公司已發行股本面值總額之20%,而上文(a)段授予董事之上述批准須受此限制;及
- (d) 就本決議案而言:
- 「有關期間」指本決議案獲通過當日至下列最早時限止期間:
- (i) 本公司下屆股東週年大會結束;
  - (ii) 本公司之細則或任何適用法例規定本公司須舉行下屆股東週年大會之期限屆滿;或
  - (iii) 股東於股東大會以普通決議案撤銷或修訂本決議案所給予授權;及

## NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the shareholders on the register of shareholders of the Company on a fixed record date in proportion to their shareholdings as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. As special business, to consider and, if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors of the Company in paragraph (a) above shall be limited accordingly; and

「配售新股」指本公司董事在指定期間內，向於指定記錄日期名列本公司股東名冊之股東，按彼等當時之持股比例提呈發售股份，惟董事有權就零碎股權或顧及適用於本公司之香港以外任何地區之法例項下任何限制或責任，或任何認可監管機構或任何證券交易所之規定，按彼等認為必需或權宜者取消此方面之權利或作出其他安排。」

6. 作為特別事項，考慮及酌情通過（無論有否修訂）下列決議案為普通決議案：

「**動議：**

- (a) 在下文(b)段規限下，一般及無條件批准本公司董事於有關期間（定義見下文(c)段）內行使本公司一切權力，以受限於及根據所有適用法例及／或香港聯合交易所有限公司（「聯交所」）證券上市規則或任何其他證券交易所經不時修訂之規定，於聯交所或本公司證券可能上市並就此獲證券及期貨事務監察委員會與聯交所認可之任何其他證券交易所購回本身股份；
- (b) 本公司根據上文(a)段之批准購回之股本面值總額不得超過本決議案日期本公司已發行股本面值總額之10%，而上文(a)段授予本公司董事之上述批准須受此限制；及

## NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

- (c) for the purpose of this Resolution:
- “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; or
  - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”
7. As special business, to consider and, if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:
- “**THAT** conditional upon Resolutions Nos. 5 and 6 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors of the Company as mentioned in Resolution No. 6 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 5 above, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”
8. To transact any other business.
- (c) 就本決議案而言：
- 「有關期間」指本決議案獲通過當日至下列最早時限止期間：
- (i) 本公司下屆股東週年大會結束；
  - (ii) 本公司之細則或任何適用法例規定本公司須舉行下屆股東週年大會之期限屆滿；或
  - (iii) 股東於股東大會以普通決議案撤銷或修訂本決議案所給予授權。」
7. 作為特別事項，考慮及酌情通過（無論有否修訂）下列決議案為普通決議案：
- 「**動議**待上文第5及第6項決議案獲通過後，將本公司根據上文第6項決議案所述授予本公司董事之權力所購回本公司股本中股份數目之面值總額，加入本公司董事根據上文第5項決議案所配發或同意有條件或無條件配發之股本面值總額內，惟本公司所購回股本之數額，不得超過於本決議案日期本公司已發行股本面值總額之10%。」
8. 處理任何其他事項。

By Order of the Board  
**LAW Tim Fuk, Paul**  
Company Secretary

承董事會命  
公司秘書  
**羅添福**

Hong Kong, 24th July 2007

香港，2007年7月24日

## NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

### Notes:

1. Any member of the Company entitled to attend and vote at the Annual General Meeting of the Company shall be entitled to appoint another person as proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. The instrument appointing a proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the principal place of the Company in Hong Kong at 25/F., BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting.
3. The Company's register of members will be closed from 20th August 2007 (Monday) to 23rd August 2007 (Thursday), both days inclusive, during which period no transfer of shares will be registered. In order to establish the identity of the shareholders who are entitled to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 pm on 17th August 2007 (Friday).
4. As at the date of this notice, the Company's executive directors are Mr. WONG Wai Sheung (Chief Executive), Mr. TSE Moon Chuen, Mr. LAW Tim Fuk, Paul and Mr. LAU Kwok Sum; the non-executive directors are Mr. WONG Koon Cheung, Mr. CHAN Wai, Mr. LEE Shu Kuan, Miss YEUNG Po Ling, Pauline and Mr. HUI King Wai; the independent non-executive directors are Mr. HUI Chiu Chung, Mr. CHIU Wai Mo and Mr. LO Mun Lam, Raymond (Chairman).

### 附註:

1. 凡有權出席本公司股東週年大會及於會上表決之本公司股東，均有權委派其他人士作為其受委代表，代其出席大會及投票。於按股數投票表決時，股東可親身或由受委代表投票。受委代表毋須為本公司股東。每名股東均可委派一名以上受委代表出席同一大會。
2. 委任代表文據連同簽署文據之授權書或其他授權文件(如有)或經公證人簽署證明之該等授權書或授權文件副本，最遲須於大會或續會指定舉行時間48小時前，送達本公司之香港主要營業地點，地址為香港九龍觀塘觀塘道418號創紀之城第五期東亞銀行中心25樓。
3. 本公司將於2007年8月20日(星期一)至2007年8月23日(星期四)(包括首尾兩日)暫停辦理股東登記，期間概不辦理任何股份過戶登記。為確立有權出席股東週年大會及於會上投票之股東，所有股份過戶文件連同有關股票須於2007年8月17日(星期五)下午4時30分前，交回本公司於香港之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。
4. 於本通告日期，本公司之執行董事為黃偉常先生(行政總裁)、謝滿全先生、羅添福先生及劉國森先生；非執行董事為黃冠章先生、陳偉先生、李樹坤先生、楊寶玲小姐及許競威先生；獨立非執行董事為許照中先生、趙偉武先生及盧敏霖先生(主席)。

# REPORT OF THE DIRECTORS

## 董事會報告

The directors submit their report together with the audited financial statements for the year ended 31st March 2007.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items.

An analysis of the Group's turnover by business segment is set out in note 6 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 58.

The directors have declared an interim dividend of HK7 cents per ordinary share, totalling HK\$34,476,000, which was paid on 12th January 2007.

The directors recommend the payment of a final dividend of HK11 cents per ordinary share, totalling HK\$54,176,000 and payable on 14th September 2007.

### RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 26 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group are set out in note 17 to the financial statements.

董事謹提呈彼等之董事會報告連同截至2007年3月31日止年度的經審核財務報表。

### 主要業務及業務地區分佈之分析

本公司主要業務為投資控股，其附屬公司主要從事金飾與黃金裝飾品、鑽石首飾與寶石及其他配飾之零售及批發業務。

本集團按業務分部劃分之營業額分析載於財務報表附註6。

### 業績及分派

本集團本年度之業績載於第58頁之綜合損益表內。

董事會已宣派中期股息每股普通股7港仙，合共34,476,000港元，已於2007年1月12日派發。

董事會建議派發末期股息每股普通股11港仙，合共54,176,000港元，將於2007年9月14日派發。

### 儲備

年內本集團及本公司儲備之變動載於財務報表附註26。

### 物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於財務報表附註17。

## REPORT OF THE DIRECTORS 董事會報告

### DONATIONS

Donations made by the Group during the year amounted to approximately HK\$932,000 (2006: HK\$320,000).

### 捐款

本集團於年內作出之捐款約932,000港元(2006年: 320,000港元)。

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 25 to the financial statements.

### 股本

本公司股本之變動詳情載於財務報表附註25。

### DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31st March 2007, calculated under the Companies Act of Bermuda, amounted to HK\$357,575,000 (2006: HK\$366,575,000).

### 可供分派儲備

根據百慕達公司法計算,本公司於2007年3月31日之可供分派儲備為357,575,000港元(2006年:366,575,000港元)。

### FIVE YEAR FINANCIAL SUMMARY

The results, assets and liabilities of the Group for each of the last five financial years ended 31st March are as follows:

### 五年財務摘要

本集團截至3月31日止五個財政年度各年之業績、資產及負債如下:

		2003	2004	2005	2006	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<b>Results</b>	<b>業績</b>					
Turnover	營業額	1,461,763	1,598,123	1,961,720	2,126,297	<b>2,845,147</b>
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	48,867	73,816	125,795	95,695	<b>198,059</b>
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Total assets	總資產	667,437	709,189	832,084	898,941	<b>1,120,029</b>
Total liabilities	總負債	98,147	120,451	158,775	170,749	<b>257,144</b>
Shareholders' funds	股東資金	564,822	580,902	664,060	715,164	<b>850,096</b>



## REPORT OF THE DIRECTORS 董事會報告

### PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

### DIRECTORS

The directors during the year were:

#### *Executive Directors*

Mr. WONG Wai Sheung (*Chief Executive*)  
Mr. TSE Moon Chuen  
Mr. LAW Tim Fuk, Paul  
Mr. LAU Kwok Sum

#### *Non-executive Directors*

Mr. WONG Koon Cheung  
Mr. CHAN Wai  
Mr. LEE Shu Kuan  
Miss YEUNG Po Ling, Pauline  
Mr. HUI King Wai

#### *Independent Non-executive Directors*

Mr. CHIU Wai Mo  
Mr. HUI Chiu Chung  
Mr. LO Mun Lam, Raymond (*Chairman*)

### 購入、出售或贖回股份

年內，本公司並無贖回其任何股份。年內，本公司或其任何附屬公司並無購入或出售任何本公司股份。

### 董事

於年內之董事如下：

#### *執行董事*

黃偉常先生 (*行政總裁*)  
謝滿全先生  
羅添福先生  
劉國森先生

#### *非執行董事*

黃冠章先生  
陳偉先生  
李樹坤先生  
楊寶玲小姐  
許競威先生

#### *獨立非執行董事*

趙偉武先生  
許照中先生  
盧敏霖先生 (*主席*)

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS (Continued)

Mr. TSE Moon Chuen, Miss YEUNG Po Ling, Pauline, Mr. CHIU Wai Mo and Mr. LO Mun Lam, Raymond retire by rotation in accordance with clause 99 of the Company's Bye-laws and, being eligible, offer themselves for re-election. Details of the proposed directors to be re-elected are set out in the circular sent together with this annual report.

By an ordinary resolution passed at the Annual General Meeting held on 24th August 2006, the Board was authorized to appoint additional directors up to a maximum of 20 directors.

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

#### *Executive Directors*

Mr. WONG Wai Sheung, aged 57, is the founder and Chief Executive of the Group. He is also a member of the Remuneration Committee. He has over 40 years of experience in the jewellery industry in Hong Kong. He is responsible for the overall strategic planning and management of the Group. He has been an associate director of The Kowloon Gold Silver and Jewel Merchant's Staff Association since November 1993. Mr. Wong was invited to act as honorary permanent chairman of Jewellery Traders Industry & Commerce Association since April 2001. He was elected as honorary chairman of Macau Goldsmith's Guild in 2005. He was also elected as Honorary Chairman of the First General Committee of Guangdong Golden Jewelry and Jade Industry's Association in 2006. Mr. Wong is a member of the Guangzhou Huadu District Municipal Committee of the Chinese People's Political Consultative Conference.

### 董事 (續)

根據本公司之公司細則第99條之規定，謝滿全先生、楊寶玲小姐、趙偉武先生及盧敏霖先生須輪值告退，惟彼等均符合資格並願意應選連任。建議重選董事之詳情刊載於連同本年報一併寄出之通函內。

根據於2006年8月24日舉行之股東週年大會通過之普通決議案，董事會獲授權委任最多20名額外董事。

### 董事及高層管理人員之履歷詳情

#### *執行董事*

黃偉常先生，57歲，為本集團創辦人兼行政總裁。彼亦為薪酬委員會成員之一。黃先生具備逾40年香港珠寶業經驗，負責本集團整體企業策劃及行政管理事宜。彼自1993年11月為九龍首飾業文員會之理事長。自2001年4月起獲邀出任玉器業工商會永遠名譽會長。彼亦於2005年獲選為澳門金業同業公會名譽會長。於2006年，彼獲委任為廣東省金銀珠寶玉器業廠商會首屆名譽會長。黃先生現為中國人民政治協商會議廣州市花都區委員會委員。

## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### *Executive Directors (Continued)*

Mr. TSE Moon Chuen, aged 57, is the co-founder of the Group. Presently, he is the Director & Deputy General Manager and also a member of the Remuneration Committee. He has over 34 years of experience in jewellery retailing business and is responsible for the sales operations and administration of the Group's retail shops. He has been appointed to various positions over the years including: an executive committee member of the Diamond Federation of Hong Kong, China Ltd. since 2000; an alternate committee member of the Chinese Gold & Silver Exchange Society since July 2004 and the Vice-Chairman of Kowloon Pearls, Precious Stones, Jade, Gold and Silver Ornament Merchants Association since 2005. Moreover, he was the Vice-President of Hong Kong Tsuen Wan Industries and Commerce Association Limited for 10 years and was elected the Chairman of the fifth session in 2006; executive committee member of the Tsuen Wan Trade Association Limited since 1996 and was appointed as a co-opted member of the Tsuen Wan District Council, Industry & Commerce Committee in 1997 for a 10-year term. He is also a committee member of the Tsuen Wan District Fight Crime Committee since 2003 and the Vice-Chairman of the Tsuen Wan District Economy Promotion Committee from the year 2005 to 2007. Mr. Tse was appointed as the Chairman of the Tsuen Wan Festival Lightings Organizing Committee for 7 consecutive years between 1999 and 2005 and became the Vice President in 2006. He also served as the honourable President of the 32nd session of Hong Kong Kwun Tong Junior Police Call in the same year. On 1st July 2006, Mr. Tse was awarded the "Chief Executive's Commendation for Community Service" by the Government of the Hong Kong SAR.

### 董事及高層管理人員之履歷詳情 (續)

#### *執行董事 (續)*

謝滿全先生，57歲，為本集團之共同創辦人，現職董事兼副總經理以及薪酬委員會成員之一。謝先生具備逾34年珠寶零售業經驗，負責本集團零售店之銷售、營運及行政事宜。彼於過往多年來曾獲委任不同公職，當中包括：自2000年起為香港鑽石總會有限公司之執行委員，由2004年7月起出任金銀貿易場之候補理監事，及於2005年起出任九龍珠石玉器金銀首飾業商會副理事長。此外，彼亦出任香港荃灣工商業聯合會副會長達10年及於2006年獲選為第五屆會長；由1996年迄今出任荃灣商會有限公司理監事；於1997年獲委任為荃灣區議會轄下工商業委員會增選委員，為期10年；自2003年起出任荃灣區減罪委員會委員；於2005年至2007年間出任荃灣促進經濟委員會副主席。謝先生由1999年至2005年連續7屆獲委任為荃灣區節日燈飾籌備委員會主席，並於2006年度出任副會長；同年，彼亦出任香港觀塘少年警訊第32屆名譽會長。於2006年7月1日，謝先生獲香港特別行政區政府頒授「行政長官社區服務獎狀」。

## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### *Executive Directors (Continued)*

Mr. LAW Tim Fuk, Paul, aged 54, joined the Group in 1996. Presently, he is a Director, Company Secretary, Qualified Accountant, and Financial Controller of the Group. He is a member of The Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Law holds a Bachelor's Degree with honours in Accountancy. He has over 15 years of accounting and auditing experience and over 16 years of experience in commerce. He is mainly responsible for the accounting and finance of the Group.

Mr. LAU Kwok Sum, aged 65, joined the Group as a Branch Manager in 1995. Presently, he is a Director & Zone Manager (Yaumatei & Mongkok). Prior to joining the Group, Mr. Lau worked as a regional manager in a listed jewellery company in Hong Kong. Mr. Lau has more than 37 years of experience in retailing, purchasing and wholesaling of jewellery products.

#### *Non-Executive Directors*

Mr. WONG Koon Cheung, aged 74, has over 55 years of experience in retailing and manufacturing of jewellery in Hong Kong. He joined the Group in 1992.

Mr. CHAN Wai, aged 77, has over 60 years of experience in retailing and manufacturing of jewellery in Hong Kong. He joined the Group in 1992.

Mr. LEE Shu Kuan, aged 80, has over 40 years of experience in property development in Hong Kong. He joined the Group in 1991.

Miss YEUNG Po Ling, Pauline, aged 40, is the co-founder of the Group. Miss Yeung has over 19 years of experience in public relations. Miss Yeung was the winner of Miss Hong Kong and Miss International of Goodwill in 1987. Miss Yeung was also the president of the Wai Yin Club for the year 1995-1996. She received the GIA Diamonds Graduate title in 2005.

### 董事及高層管理人員之履歷詳情 (續)

#### *執行董事 (續)*

羅添福先生，54歲，1996年加入本集團，現職董事、公司秘書、合資格會計師兼本集團財務總監。羅先生為英國特許公認會計師公會、英國特許管理會計師公會、香港會計師公會及特許秘書及行政人員公會之會員。羅先生持有會計系榮譽學士學位，具備逾15年會計及核數經驗以及逾16年商貿經驗。彼主要負責本集團會計及財務事宜。

劉國森先生，65歲，於1995年出任本集團分行經理，現職董事兼區域經理（油麻地及旺角區）。彼於加入本集團前，曾於香港一間上市珠寶公司任職區域經理。劉先生擁有逾37年珠寶產品零售、採購及批發經驗。

#### *非執行董事*

黃冠章先生，74歲，具備逾55年香港珠寶零售及製造經驗。彼於1992年加入本集團。

陳偉先生，77歲，具備逾60年香港珠寶零售及製造經驗。彼於1992年加入本集團。

李樹坤先生，80歲，具備逾40年香港物業發展經驗。彼於1991年加入本集團。

楊寶玲小姐，40歲，為本集團之共同創辦人。楊小姐具備逾19年公關工作經驗。楊小姐為1987年度香港小姐冠軍及國際親善大使。楊小姐亦曾任1995至1996年度慧妍雅集主席。彼於2005年獲取GIA Diamonds Graduate銜頭。

## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### *Non-executive Directors (Continued)*

Mr. HUI King Wai, aged 57, is a solicitor practising in Hong Kong and joined the Group in 1999. He was admitted solicitor of the Supreme Court of England and Wales and of the Supreme Court of Hong Kong in 1981 and 1982 respectively.

#### *Independent Non-executive Directors*

Mr. CHIU Wai Mo, aged 57, has over 40 years of experience in general trading, property investment and management consultancy in Hong Kong and Japan. Mr. Chiu holds directorships in a number of companies in Hong Kong and Japan. He joined the Group in 1997 and is a member of both the Audit Committee and the Remuneration Committee.

Mr. HUI Chiu Chung J.P., aged 60, joined the Group in 1997 and is the Chairman of Remuneration Committee and a member of the Audit Committee. Chief Executive Officer, OSK Asia Holdings Limited, was appointed to the Listing Committee on 16th May 2003. He is an Independent Non-executive Director of Lifestyle International Holdings Limited, Chun Wo Holdings Limited, Frasers Property (China) Limited (previously known as Vision Century Corporation Limited), Jiuzhou Development Company Limited; and a former Independent Non-executive Director of Wing Lee Holdings Limited - all of which are listed on the Exchange. Mr. Hui was appointed a Justice of the Peace in 2004 and was a member of the Election Committee for the HKSAR. He is a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference. He is an appointed member of the Securities and Futures Appeals Tribunal, a member of the Committee on Real Estate Investment Trusts and a former member of the Advisory Committee of the SFC. Mr. Hui is also a member of the Standing Committee on Company Law Reform, an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A and a vice chairman of the Committee of the Hong Kong Stockbrokers Association. From 1991 to 1996 and from 1997 to 2000 Mr. Hui was a member of the Council of the Stock Exchange of Hong Kong Limited and was a director of the Hong Kong Securities Clearing Co, Ltd.

### 董事及高層管理人員之履歷詳情 (續)

#### *非執行董事 (續)*

許競威先生，57歲，香港執業律師。彼於1999年加入本集團。許先生分別於1981年及1982年獲英格蘭及威爾斯最高法院以及香港最高法院認可為執業律師。

#### *獨立非執行董事*

趙偉武先生，57歲，具備逾40年香港及日本一般貿易、物業投資及管理顧問工作經驗。趙先生出任多間香港及日本公司之董事。彼於1997年加入本集團，同時為審核委員會及薪酬委員會成員之一。

許照中太平紳士，60歲，於1997年加入本集團，現為薪酬委員會主席及審核委員會成員；僑豐金融集團有限公司集團行政總裁，於2003年5月16日獲委任為上市委員會成員。許先生現為聯交所上市公司利福國際集團有限公司、俊和集團有限公司、星獅地產（中國）有限公司（前稱威新集團有限公司）及九州發展有限公司的獨立非執行董事，以及曾任永利控股有限公司的獨立非執行董事。許先生於2004年獲授太平紳士名銜，曾為香港特區選舉委員會成員，現為中國人民政治協商會議珠海市委員會委員、證券及期貨事務上訴審裁處委任成員以及房地產投資信託基金委員會成員，過去亦曾擔任證監會諮詢委員會成員。另外，許先生亦是公司法改革常務委員會成員、香港會計師公會調查小組A組的委任成員及香港證券經紀業協會委員會副主席。由1991年至1996年及由1997年至2000年，許先生為香港聯合交易所有限公司理事會理事及香港中央結算有限公司董事。

## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### *Independent Non-executive Directors (Continued)*

Mr. LO Mun Lam, Raymond, aged 54, joined the Group since 2004. He was elected Chairman of the Board on 12th April 2005 and is the Chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Lo is the Chairman of a private equity firm with interest in various business sectors. He has previously served as advisor, director and financial strategist in many multidisciplinary listed and major companies. Professionally, Mr. Lo is a Fellow member and a Corporate Finance designate of the Institute of Chartered Accountants in England & Wales, a Counselor of Real Estate, USA and a Fellow member of the Royal Institute of Chartered Surveyors, UK. He is also a member of the International Bar Association and a Certified Hospitality Educator. Mr. Lo is currently director of three other listed companies in Hong Kong.

#### *Senior Management*

Mr. AU Kwok Kau, aged 58, is the co-founder and Group General Manager of the Group since 1991. He is responsible for overall administration of the Group. He has over 35 years of experience in the jewellery industry in Hong Kong.

Miss Irene CHEUNG, aged 30, is the Assistant Legal Affairs Manager of the Group. She holds a Bachelor of Arts Degree from the University of Toronto and a Law Degree from Osgoode Hall of Canada. She was admitted as solicitor and barrister in Ontario, Canada in 2003, where she practised Commercial and Family Law. She joined the Group in 2005 and is responsible for the administration and coordination of the Group's legal affairs. Miss Cheung is currently a member of the Law Society of Upper Canada and an associate member of the Law Society of Hong Kong. She is the daughter-in-law of Mr. WONG Wai Sheung, the Chief Executive of the Group.

Miss CHUNG Vai Ping, Icy, aged 37, is the Product Development Manager of the Group. She joined the Group in 1990 and is responsible for the product development of the Group. She has won the Best of Show Award with her design "Flashing" in the 2nd Hong Kong Jewellery Design Competition. She received the GIA Diamonds Graduate title in 2004.

### 董事及高層管理人員之履歷詳情 (續)

#### *獨立非執行董事 (續)*

盧敏霖先生，54歲，自2004年起加入本集團，並於2005年4月12日獲選為董事會主席，亦為審核委員會主席及薪酬委員會成員。盧先生現於一家在多個行業擁有權益之私人公司擔任主席，並曾於多家從事多種業務之大型上市公司擔任顧問、董事及財務策劃主管。在專業資格方面，盧先生為英格蘭及威爾斯特許會計師公會資深會員及擁有企業融資專業資格；美國註冊資深地產顧問及英國皇家特許測量師資深會員；國際律師公會會員及為註冊休閒業導師。盧先生現為其他三間香港上市公司之董事。

#### *高級管理人員*

區國球先生，58歲，本集團之共同創辦人，自1991年起出任本集團集團總經理，負責本集團整體行政運作。彼具備逾35年香港珠寶業經驗。

張雅玲小姐，30歲，本集團法律事務副經理，張小姐為多倫多大學文學士，持有加拿大Osgoode Hall法律學位。於2003年，張小姐於加拿大安大略省獲得事務律師及訟務律師資格，主要從事商業法及家庭法。張小姐於2005年加入本集團，負責統籌及協調本集團之法律事務。張小姐現為加拿大律師公會會員及香港律師會之關聯會員。張小姐為本集團行政總裁黃偉常先生之媳婦。

鍾惠冰小姐，37歲，本集團產品拓展經理，於1990年加入本集團，負責本集團之產品開發事宜。鍾小姐設計的作品「煙花」曾贏取第二屆香港珠寶設計比賽大獎。彼於2004年獲取GIA Diamonds Graduate銜頭。

## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Senior Management (Continued)

Mr. FUNG Chi Ming, Fergus, aged 53, joined the Group in 2004 as Senior Manager in Administration and Human Resources. Mr. Fung obtained a Master's Degree in Business Administration and a Bachelor's Degree in Social Science through education in Hong Kong. Prior to joining the Group, Mr. Fung has acquired extensive experience in people, business and project management in various industries and also has substantial exposure for operations in Hong Kong and China.

Mr. LEUNG Tak Fai, aged 44, joined the Group as Internal Audit Manager since 2002. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Information Systems Audit and Control Association. Being a Certified Information Systems Auditor, he holds a Master Degree in Business Administration. He has over 14 years of internal auditing experience.

Miss LEUNG Wai Sheung, Garry, aged 39, is the Corporate Affairs Manager of the Group. She holds a professional Diploma in China Economy and Finance, a Bachelor's Degree in Business Administration and a Master Degree in Business Administration. She joined the Group in 1994 and is responsible for the Group's co-ordination of project development and corporate affairs. She is a member of the Youth Committee of the Federation of Hong Kong Guangdong Community Organizations Limited.

Miss LI Wai Ki, Vickie, aged 51, is the Chief Jewellery Designer of the Group. She joined the Group in 1996 and is responsible for product design and development. Miss Li has over 30 years of experience in jewellery design. She won several international design awards are The 1st Greater China Trophy For International Jadeite Jewellery Design Competition – Premium Award. The 3rd & 4th Tahitian Pearl Trophy Asia Brooch & Parure Category-Champion Award.

### 董事及高層管理人員之履歷詳情 (續)

#### 高級管理人員 (續)

馮志明先生，53歲，於2004年加入本集團，現職行政及人力資源高級經理。馮先生於香港接受教育，持有工商管理碩士學位及社會科學學士學位。於加入本集團前，馮先生於不同行業累積豐富人力資源、業務及項目管理經驗。彼亦對香港及中國之公司運作具透徹了解。

梁德輝先生，44歲，於2002年加入本集團出任內部審計經理。梁先生為香港會計師公會、英國特許公認會計師公會及電腦稽核師協會會員，持有國際電腦稽核師認證及工商管理碩士學位。梁先生具備逾14年內部審計經驗。

梁偉霜小姐，39歲，為本集團之企業事務經理，彼持有中國財經專業文憑、工商管理學士學位及工商管理碩士學位。彼於1994年加入本集團，現負責本集團之項目發展與企業事務之統籌工作。彼為香港廣東社團總會青年委員會會員。

李慧姬小姐，51歲，本集團首席珠寶設計師，彼於1996年加入本集團，負責產品設計及發展。李小姐擁有逾30年豐富珠寶設計經驗，其作品先後贏得多個國際性獎項，包括第一屆中華杯國際翡翠首飾設計大獎賽「中華杯」特別大獎、第三屆及第四屆國際大溪地珍珠首飾設計比賽衫針組及套裝組冠軍等。

## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### Senior Management (Continued)

Mr. LING Hay Ming, Derek, aged 40, joined the Group in 2001 as I.T. Manager and the Project Manager of Jewellworld.com Limited, a subsidiary of the Company. He obtained his Master's Degree in Business Administration and Bachelor's Degree in Computer Engineering from Santa Clara University in California, U.S.A. Prior to joining the Group, Mr. Ling had over 9 years of business consulting and management experience in U.S.A. and Hong Kong.

Mr. TSANG Wai Hong, aged 40, joined the Group in 2006 as Senior Project Manager and is responsible for the system development management. He received a master's degree in E-commerce and Internet Computing and a bachelor's degree in Computer Studies from the University of Hong Kong. Mr. Tsang has over 14 years of experience in information technology and management.

Mr. TSUI Kin Wah, Tommy, aged 49, is the Laboratory Director of the Group. Mr. Tsui joined the Group in 1995 and has over 17 years of experience in purchasing and Gemstone Identification. Mr. Tsui is an Executive Committee member of the Hong Kong Gemological Association and a fellow member of Gemmological Association of Great Britain. Besides, Mr. Tsui is a laboratory representative and approved signatories under the Hong Kong Laboratory Accreditation Scheme. At June 2007, Mr. Tsui has been appointed by Hong Kong Council for Academic Accreditation as a Sector/Subject Specialist for a 3-year period.

Miss WONG Hau Yeung, aged 34, is the Manager in Administration and Human Resources the Group. Miss Wong joined the Group in 2004 and is responsible for human resources management and training. She is the fellow of the Institute of Global Managers and the Chartered Human Resource Consultant of Chartered Association of Business Administrator. She has over 10 years of experience in the human resources management of jewellery industry in Hong Kong.

### 董事及高層管理人員之履歷詳情 (續)

#### 高級管理人員 (續)

林曦明先生，40歲，於2001年加入本集團，為本公司之資訊科技經理及附屬公司珠寶世界（香港）有限公司之項目經理。彼畢業於美國加州聖克拉拉大學，獲頒工商管理碩士學位及電腦工程學士學位。於加入本集團前，林先生在美國及香港累積逾9年商業顧問及管理經驗。

曾偉康先生，40歲，於2006年加入本集團為高級項目經理，現負責系統開發管理工作。彼持有香港大學之電子商貿及互聯網工程碩士學位及電腦學士學位。曾先生累積逾14年資訊科技及管理經驗。

徐建華先生，49歲，為本集團鑑定中心總監。徐先生於1995年加入本集團，擁有逾17年採購及寶石鑑定經驗。徐先生為香港寶石學協會理事及英國寶石學協會院士。此外，徐先生為香港實驗所認可計劃的鑑定中心代表及核准簽署人。於2007年6月，徐先生更獲香港學術評審局委任為（任期三年）行業／學科專家。

王巧陽小姐，34歲，為本集團行政及人力資源經理。王小姐於2004年加入本集團，負責人力資源管理和培訓工作。彼為世界經理學會資深會員及加拿大認可人力資源顧問。王小姐從事香港珠寶行業人力資源管理工作超逾十年。



## REPORT OF THE DIRECTORS 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

#### *Senior Management (Continued)*

Mr. WONG Ho Lung, Danny, aged 30, is the Operations Manager of the Group. He joined the Group in 2002 and is responsible for the execution and implementation of the corporate decisions and directions of the Group. With his experiences and background overseas, Mr. Wong was chiefly involved in the set up and opening of the Group's North American branches in Canada and the USA. He was also primarily responsible for the recent rebranding of the Group's new corporate image, and the redesign of the Group's retail shops. Mr. Wong is also involved in computer hardware integration and software development of the Group. Furthermore, Mr. Wong is appointed as a Honorary President of Junior Police Call for Kwai Tsing District for the year 2007/08 on 1st January 2007. He is the son of Mr. WONG Wai Sheung, the Chief Executive of the Group.

Mr. WONG Wai Tong, aged 46, joined the Group in 1998. Presently, he is the Business Director. He has over 30 years of manufacturing and purchasing experience in jewellery and gold industry. He is responsible for the purchasing of diamonds, gems and gold products of the Group and the operation of the Company. Mr. Wong is the brother of Mr. WONG Wai Sheung, Chief Executive of the Group.

Mr. YEUNG Wai Hing, aged 42, joined the Group as the Finance & Accounting Manager in 2002. Mr. Yeung is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 18 years of finance and accounting experience at a variety of business organizations including listed groups.

### RETIREMENT SCHEME

Details of the retirement scheme operated by the Group are set out in note 15 to the financial statements.

### 董事及高層管理人員之履歷詳情 (續)

#### *高級管理人員 (續)*

黃浩龍先生，30歲，本集團營運經理，於2002年加入本集團，負責執行及落實本集團營運決策及方向。黃先生以其豐富之海外經驗及背景，主要負責開設本集團位於加拿大及美國之北美洲分行，同時亦是近期本集團塑造新企業形象及重新設計本集團零售店之主要負責人。黃先生亦參與本集團之電腦硬件整合及軟件開發。此外，黃先生於2007年1月1日獲委任為葵青區少年警訊2007/08年度的名譽會長。黃先生為本集團行政總裁黃偉常先生之兒子。

黃偉棠先生，46歲，於1998年加入本集團，現職業務總監，具備逾30年珠寶黃金製造及採購經驗。黃先生負責監管本集團採購鑽石、寶石及金飾產品及公司營運之事宜，黃先生為本集團行政總裁黃偉常先生之胞弟。

楊位慶先生，42歲，於2002年加入本集團出任財會經理一職。楊先生為英國特許公認會計師公會及香港會計師公會會員，具備逾18年之商業機構財務及會計經驗，當中包括上市集團。

### 退休計劃

本集團推行之退休計劃詳情載於財務報表附註15。

## REPORT OF THE DIRECTORS

### 董事會報告

#### DIRECTORS' SERVICE CONTRACTS

None of the Directors' service contracts requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments (other than statutory compensation). Pursuant to the Bye-laws, one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company save any Director holding office as Chairman or Managing Director.

The fees and other emoluments of Directors are determined by reference to industry norm and market conditions, with discretionary bonus on performance awarded to Executive Directors.

#### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 31 to the financial statements, no other contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its holding company was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

#### CONNECTED TRANSACTIONS

The related party transactions entered into by the Group during the year ended 31st March 2007 as disclosed in notes 31(b) & (c) to the financial statements do not constitute connected transactions under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The related party transaction, which also constitutes a connected transaction under the Listing Rules, is set out in note 31(a) to the financial statements and disclosed in accordance with the Chapter 14A of the Listing Rules as follows:

The connected transaction in respect of the tenancy agreement entered into with Mr. WONG Wai Sheung's father, for the lease of a retail shop of the Group was, in the opinion of the directors, entered into on normal commercial terms which are fair and reasonable so far as the shareholders of the Company are concerned.

#### 董事服務合約

概無董事服務合約規定，本公司須發出超過一年通知或支付或作出其他相當於超過一年酬金之賠償或其他付款（法定賠償除外）。根據公司細則，除出任主席或董事總經理之任何董事外，三分一董事須於本公司每屆股東週年大會輪值告退。

董事袍金及其他酬金乃參考行業慣例及市況釐定，執行董事另可按表現獲發酌情花紅。

#### 董事之合約權益

除財務報表附註31披露外，於年結日或年內任何時間內，本公司、其附屬公司或其控股公司概無訂立任何其他與本集團業務有關而本公司董事直接或間接擁有重大權益之重大合約。

#### 管理合約

本年度內，本公司概無訂立或訂有任何與本公司整體或任何主要部分業務之管理及行政有關之合約。

#### 關連交易

財務報表附註31(b)及(c)所披露本集團於截至2007年3月31日止年度訂立之有關連人士交易，並不構成聯交所證券上市規則（「上市規則」）項下關連交易。

財務報表附註31(a)所載有關連人士交易亦構成上市規則項下關連交易，並根據上市規則第14A章披露如下：

有關本集團就租賃一間零售店舖與黃偉常先生之父親訂立租賃協議之關連交易，董事認為，乃按對本公司股東而言屬公平合理之一般商業條款訂立。

## REPORT OF THE DIRECTORS 董事會報告

### DIRECTORS' BENEFITS FROM RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Details of the directors' benefits from rights to acquire shares or debentures are set out in the following section regarding the Company's Share Option Scheme.

Apart from the above, at no time during the year was the Company, its subsidiaries or its holding company a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SHARE OPTION SCHEME

On 17th April 1997, a share option scheme ("the Scheme") was approved at a Special General Meeting of the Company under which the directors may, at their discretion, grant employees, including any executive directors, of the Company and any of its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. A summary of the Scheme is as follows:

**(1) Purpose**

The purpose of the Scheme is to provide an employee incentive compensation plan that is based on corporate performance and is tied to the Company's share value with the goal of increasing shareholders' wealth.

**(2) Eligible persons**

Any employees, including any executive directors, of the Company and any of its subsidiaries.

**(3) Number of shares available for issue**

At 31st March 2007, the maximum number of shares available for issue is 9,093,000, representing approximately 1.8% of the issued share capital of the Company as at 31st March 2007.

### 董事藉收購股份或債券權利獲取之利益

董事藉收購股份或債券權利獲取利益之詳情載於下文有關本公司購股權計劃一節。

除以上所述外，本公司、其附屬公司或其控股公司於年內任何時間概無訂立任何安排，使本公司董事能藉收購本公司或任何其他法人團體之股份或債券而獲得利益。

### 購股權計劃

於1997年4月17日，本公司股東特別大會批准一項購股權計劃（「該計劃」），據此，董事可酌情授予本公司及其任何附屬公司之僱員（包括任何執行董事）購股權，可在該計劃條款及條件之規限下認購本公司股份。該計劃概述如下：

**(1) 目的**

該計劃旨在提供一個以公司表現為依據之僱員獎賞計劃，該計劃與本公司股份價值息息相關，故可達到增加股東財富之目標。

**(2) 合資格人士**

本公司及其任何附屬公司任何僱員，包括任何執行董事。

**(3) 可發行股份數目**

於2007年3月31日可供發行之股份最高數目為9,093,000股，相當於本公司於2007年3月31日已發行股本約1.8%。

## REPORT OF THE DIRECTORS 董事會報告

### SHARE OPTION SCHEME (Continued)

#### (4) *Maximum entitlement of each eligible person*

No option shall be granted to an eligible person which would cause, at the date of grant, the aggregate number of shares over which that options is granted, together with the aggregate number of shares the subject of any other options granted to that eligible person under the scheme (whether such options have or have not been exercised at the date of grant) to exceed 25% of the aggregate number of shares already issued and issuable under the scheme.

#### (5) *Time of exercise of option*

An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on the date of grant of an option and expiring at 5:01 p.m. on the business day preceding the 10th anniversary of the date of grant.

#### (6) *Exercise price*

The option price per share payable on the exercise of an option:

- (a) granted before 1st September 2001 was determined by the directors as being in no event less than the higher of:
  - (i) the nominal value of the shares; and
  - (ii) 80% of the average of the closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of offer of an option.

### 購股權計劃 (續)

#### (4) *每名合資格人士之最高配額*

在授出購股權當天，向合資格人士授出之購股權，連同該計劃授予該名合資格人士之任何其他購股權（不論該等購股權於授出日期已行使與否）所涉及之股份總數，不得超過該計劃已發行及可予發行之股份總數之25%。

#### (5) *行使購股權之時間*

購股權可由購股權授出日期起至授出日期十週年當日前一個營業日下午5時01分止期間任何時間按照該計劃之條款行使。

#### (6) *行使價*

行使購股權時應付之每股購股權價格：

- (a) 於2001年9月1日前授出之購股權，由董事釐定，惟在任何情況均不低於以下兩者之較高者：
  - (i) 股份之面值；及
  - (ii) 緊接購股權授出日期前5個營業日，在聯交所每日報價表所列股份平均收市價之80%。

## REPORT OF THE DIRECTORS 董事會報告

### SHARE OPTION SCHEME (Continued)

#### (6) Exercise price (Continued)

- (b) granted on or after 1st September 2001 is determined by the directors, in compliance with the requirements of Chapter 17 of the Listing Rules, as being at least the higher of:
- (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and
  - (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant.

#### (7) Remaining life of the Scheme

The Scheme will remain in force until 16th April 2007.

The following table discloses movements in the Company's share options during the year:

Eligible persons 合資格人士	Options held at 1st April 2006 於2006年 4月1日 持有之購股權	Options exercised during the year 年內行使 之購股權	Options held at 31st March 2007 於2007年 3月31日 持有之購股權	Exercise date 行使日期
<i>Executive directors</i> 執行董事				
Mr. WONG Wai Sheung 黃偉常先生	4,564,000	4,564,000	—	8th June 2006 2006年6月8日

All the options above were granted on 14th June 2000 and are exercisable at any time during the period from 14th June 2000 to 13th June 2010 at an exercise price of HK\$0.34 per share.

### 購股權計劃 (續)

#### (6) 行使價 (續)

- (b) 於2001年9月1日或之後授出之購股權，由董事釐定，並須符合上市規則第17章之規定，至少是以下兩者之較高者：
- (i) 授出日期（須為營業日）聯交所每日報價表所列股份之收市價；及
  - (ii) 緊接授出日期前5個營業日聯交所每日報價表所列股份之平均收市價。

#### (7) 該計劃之餘下年期

該計劃將仍然生效，直至2007年4月16日。

下表披露本公司購股權於年內之變動：

以上所有購股權於2000年6月14日授出，可於2000年6月14日至2010年6月13日期間任何時間，按每股0.34港元之行使價行使。

## REPORT OF THE DIRECTORS

### 董事會報告

#### SHARE OPTION SCHEME (Continued)

The weighted average closing prices of the shares immediately before the dates on which options were exercised were HK\$1.11 in relation to the options exercised by an executive director.

During the year, no options were granted, cancelled or lapsed. The share options granted are not recognised in the financial statements until they are exercised.

Apart from the share option scheme mentioned above, none of the directors or chief executives (including their spouse and children under 18 years of age) had been granted, or exercised, any rights to subscribe for shares in the Company or any other body corporate.

#### MAJOR CUSTOMERS

During the year under review, the percentages of sales for the year attributable to the Group's major customers are as follows:

		2007	2006
The largest customers	最大客戶	20.1%	20.9%
Five largest customers combined	五名最大客戶合計	33.4%	34.6%

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had interest in the major customers noted above.

#### MAJOR SUPPLIERS

The percentages of purchases for the year attributable to the Group's major suppliers are as follows:

		2007	2006
The largest customers	最大客戶	24.6%	24.7%
Five largest customers combined	五名最大客戶合計	40.3%	37.2%

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's share capital) had interest in the major suppliers noted above.

#### 購股權計劃 (續)

對於執行董事行使之購股權，股份於緊接購股權獲行使日期前之加權平均收市價為1.11港元。

年內，並無購股權授出、註銷或失效。授出之購股權於行使時方會在財務報表內確認。

除上述購股權計劃外，並無任何董事或行政總裁（包括彼等之配偶及未滿18歲之子女）獲授予或行使可認購本公司或其任何法人團體股份之權利。

#### 主要客戶

年內，本集團主要客戶所佔銷貨額之百分比如下：

各董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之任何股東，概無擁有上述主要客戶之權益。

#### 主要供應商

年內，本集團主要供應商所佔購貨額之百分比如下：

各董事、彼等之聯繫人士或據董事所知擁有本公司5%以上股本之任何股東，概無擁有上述主要供應商之權益。

## REPORT OF THE DIRECTORS 董事會報告

### BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

At 31st March 2007 and 31st March 2006, the Group did not have any bank loans, overdrafts or other borrowings.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws of Bermuda.

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES

Throughout the year, the Company was in compliance with the Code on Corporate Governance Practices as set out in the Listing Rules except for certain deviations as described in the Corporate Governance Report set out on pages 18 to 32.

### AUDIT COMMITTEE

In compliance with paragraph 14 of the Code of Best Practice (applicable before 1st January 2005), the Board has established an audit committee comprising all independent non-executive directors, to monitor the accounting and financial reporting practices and internal control systems of the Company. Since 1st April 2006, the audit committee has held several meetings to consider matters including the 2006 annual report of the Company, internal controls, the unaudited interim condensed consolidated financial information for the six months ended 30th September 2006, the 2007 annual report of the Company and the Group's IT control environment.

### 銀行貸款、透支及其他借貸

於2007年3月31日及2006年3月31日，本集團並無任何銀行貸款、透支或其他借貸。

### 優先購買權

本公司之公司細則並無載列有關優先購買權之規定，惟百慕達法例對該等權利並無限制。

### 遵守上市規則之企業管治常規守則

於本年度，本公司一直遵守上市規則所載企業管治常規守則，惟第18至32頁企業管治報告所載若干偏離情況除外。

### 審核委員會

董事會已成立由全體獨立非執行董事組成之審核委員會，以符合最佳應用守則第14段（適用於2005年1月1日前）之規定。審核委員會之職責包括監督本公司之會計及財務匯報程序和內部監控制度。自2006年4月1日以來，審核委員會曾召開多次會議，以省覽包括本公司2006年年報、內部監控、截至2006年9月30日止6個月之未經審核中期簡明綜合財務資料、本公司2007年年報及本集團之資訊科技監控環境等事宜。

## REPORT OF THE DIRECTORS 董事會報告

### CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 20th August 2007 to 23rd August 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 17th August 2007.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of its directors as at 24th July 2007, being the latest practicable date prior to the issue of the annual report, the public float of shares in the Company has remained above the minimum percentage required by The Stock Exchange throughout the year.

### AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By order of the Board,  
**LO Mun Lam, Raymond**  
*Chairman*

Hong Kong, 24th July 2007

### 暫停辦理股東登記

本公司將由2007年8月20日至2007年8月23日(首尾兩天包括在內)暫停辦理股東登記手續,期間將不會辦理任何股份過戶事宜。為符合資格享有末期股息,所有過戶文件連同有關股票最遲須於2007年8月17日下午4時30分送達本公司在香港之股份過戶登記處香港中央證券登記有限公司,地址為香港皇后大道東183號合和中心17樓1712-1716室。

### 充裕公眾持股量

根據本公司獲得之公開資料及據董事所知,於本年報刊發前的最後實際可行日期2007年7月24日,本公司股份之公眾持股量全年維持於聯交所規定之最低百分比之上。

### 核數師

本財務報表已經由羅兵咸永道會計師事務所審核,該核數師任滿告退,惟合資格並表示願意應聘連任。

承董事會命  
主席  
**盧敏霖**

香港, 2007年7月24日



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

PRICEWATERHOUSECOOPERS 

羅兵咸永道會計師事務所

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
Central, Hong Kong  
羅兵咸永道會計師事務所  
香港中環  
太子大廈二十二樓

### TO THE SHAREHOLDERS OF LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

*(incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Luk Fook Holdings (International) Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages 58 to 117, which comprise the consolidated and Company balance sheets as at 31st March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 致六福集團(國際)有限公司

*(於百慕達註冊成立的有限公司)*

### 全體股東

本核數師(以下簡稱「我們」)已審核列載於第58至117頁六福集團(國際)有限公司(「貴公司」)及其子公司(以下合稱「貴集團」)的綜合財務報表。此綜合財務報表包括於2007年3月31日的綜合及公司資產負債表與截至該日止年度的綜合損益表、綜合權益變動表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

### 董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港《公司條例》的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當會計政策;及按情況下作出合理的會計估計。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31st March 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 24th July 2007

### 核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，並按照百慕達1981年《公司法》第90條僅向整體股東報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以取得合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，而並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2007年3月31日的財務狀況及 貴集團截至該日止年度的溢利及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

**羅兵咸永道會計師事務所**  
執業會計師

香港，2007年7月24日

# CONSOLIDATED INCOME STATEMENT

## 綜合損益表

(For the year ended 31st March 2007)  
(截至2007年3月31日止年度)

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Turnover	營業額	6	2,845,147	2,126,297
Cost of sales	銷售成本	9	(2,257,306)	(1,666,615)
Gross profit	毛利		587,841	459,682
Other income	其他收入	7	49,676	25,366
Selling and distribution costs	銷售及分銷費用	9	(375,504)	(333,241)
Administrative expenses	行政費用	9	(45,886)	(43,001)
Other gains	其他收益	8	18,740	4,923
Operating profit	經營溢利		234,867	113,729
Finance costs	財務費用	10	(179)	(1,309)
Profit before taxation	除稅前溢利		234,688	112,420
Taxation	稅項	11	(35,728)	(15,891)
Profit for the year	年內溢利		198,960	96,529
Profit attributable to:	應佔溢利:			
Equity holders of the Company	本公司權益持有人	12	198,059	95,695
Minority interests	少數股東權益		901	834
			198,960	96,529
Earnings per share for profit attributable to the equity holders of the Company	本公司權益持有人應佔溢利的每股盈利	13		
Basic	基本		HK40.3 cents	HK19.7 cents
Diluted	攤薄		HK40.3 cents	HK19.5 cents
Dividends	股息	14	88,652	48,794

The notes on pages 63 to 117 are an integral part of these consolidated financial statements.

第63至117頁的附註為綜合財務報表的整體部分。

# CONSOLIDATED BALANCE SHEET

## 綜合資產負債表

(As at 31st March 2007)  
(於2007年3月31日)

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
Non-current assets	非流動資產			
Property, plant and equipment	物業·廠房及設備	17	103,130	105,107
Leasehold land and land use rights	租賃土地及土地使用權	18	8,169	12,835
Trading licence	交易執照		1,080	1,080
Rental deposits	租金按金		21,915	19,575
Deferred tax assets	遞延稅項資產	27	7,468	6,257
			<b>141,762</b>	144,854
Current assets	流動資產			
Inventories	存貨	20	751,854	611,986
Trade receivables	貿易應收賬項	22	19,318	12,144
Deposits, prepayments and other receivables	按金·預付賬項及 其他應收賬項		32,561	20,369
Non-current asset held for sale	持有供出售之非流動資產	23	—	850
Bank balances and cash	銀行結餘及現金	29	174,534	108,738
			<b>978,267</b>	754,087
Total assets	總資產		<b>1,120,029</b>	898,941
<b>EQUITY</b>	<b>權益</b>			
Capital and reserves attributable to the Company's equity holders	本公司權益持有人應佔 資本及儲備			
Share capital	股本	25	49,250	48,794
Share premium	股份溢價	25	58,884	57,789
Reserves	儲備	26	687,786	574,425
Proposed dividends	擬派股息	14	54,176	34,156
			<b>850,096</b>	715,164
Minority interests	少數股東權益		12,789	13,028
Total equity	權益總額		<b>862,885</b>	728,192
<b>LIABILITIES</b>	<b>負債</b>			
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	27	129	623
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬項	24	227,304	161,641
Taxation payable	應付稅項		29,711	8,485
			<b>257,015</b>	170,126
Total liabilities	總負債		<b>257,144</b>	170,749
Total equity and liabilities	權益總額及負債		<b>1,120,029</b>	898,941
Net current assets	流動資產淨值		<b>721,252</b>	583,961
Total assets less current liabilities	總資產減流動負債		<b>863,014</b>	728,815

WONG Wai Sheung  
黃偉常  
Director  
董事

TSE Moon Chuen  
謝滿全  
Director  
董事

The notes on pages 63 to 117 are an integral part of these consolidated financial statements.

第63至117頁的附註為綜合財務報表的整體部分。

# BALANCE SHEET

## 資產負債表

(As at 31st March 2007)  
(於2007年3月31日)

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
Non-current assets	非流動資產			
Investments in subsidiaries	附屬公司投資	19	<b>298,887</b>	298,887
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司賬項	21	<b>180,521</b>	180,521
Taxation recoverable	可收回稅項		—	18
Bank balances and cash	銀行結餘及現金	29	<b>1,035</b>	1,127
			<b>181,556</b>	181,666
Total assets	總資產		<b>480,443</b>	480,553
<b>EQUITY</b>	<b>權益</b>			
Capital and reserves	資本及儲備			
Share capital	股本	25	<b>49,250</b>	48,794
Share premium	股份溢價	25	<b>58,884</b>	57,789
Reserves	儲備	26	<b>303,399</b>	332,419
Proposed dividends	擬派股息	14	<b>54,176</b>	34,156
			<b>465,709</b>	473,158
<b>LIABILITIES</b>	<b>負債</b>			
Current liabilities	流動負債			
Amount due to a subsidiary	應付一家附屬公司賬項	21	<b>14,282</b>	6,851
Other payables	其他應付賬項		<b>452</b>	544
Total liabilities	總負債		<b>14,734</b>	7,395
Total equity and liabilities	權益總額及負債		<b>480,443</b>	480,553
Net current assets	流動資產淨值		<b>166,822</b>	174,271
Total assets less current liabilities	總資產減流動負債		<b>465,709</b>	473,158

**WONG Wai Sheung**  
黃偉常  
Director  
董事

**TSE Moon Chuen**  
謝滿全  
Director  
董事

The notes on pages 63 to 117 are an integral part of these consolidated financial statements.

第63至117頁的附註為綜合財務報表的整體部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

(For the year ended 31st March 2007)  
(截至2007年3月31日止年度)

		Share capital	Share premium	Reserves	Subtotal	Minority interest	Total equity
		股本	股份溢價	儲備	小計	股東權益少數	總權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
				(Note 26(a))			
				(附註26(a))			
<b>For the year ended 31st March 2007</b>	<b>截至2007年3月31日止年度</b>						
As at 1st Apr 2006	於2006年4月1日	48,794	57,789	608,581	715,164	13,028	728,192
Exchange differences	匯兌差額	-	-	7,696	7,696	267	7,963
Issue of shares (Note 25)	發行股份 (附註25)	456	1,095	-	1,551	-	1,551
Profit for the year	年度溢利	-	-	198,059	198,059	901	198,960
Dividends paid	已付股息	-	-	(68,951)	(68,951)	-	(68,951)
Dividend paid to a minority shareholder by a subsidiary	一家附屬公司向一名少數股東派付股息	-	-	-	-	(368)	(368)
Deficit on revaluation of other properties	其他物業之重估虧絀	-	-	(3,423)	(3,423)	-	(3,423)
Repayment of the loan from a minority shareholder of a subsidiary	一家附屬公司向一名少數股東償還貸款	-	-	-	-	(1,039)	(1,039)
As at 31st March 2007	於2007年3月31日	<u>49,250</u>	<u>58,884</u>	<u>741,962</u>	<u>850,096</u>	<u>12,789</u>	<u>862,885</u>
<b>For the year ended 31st March 2006</b>	<b>截至2006年3月31日止年度</b>						
As at 1st Apr 2005	於2005年4月1日	48,544	57,189	558,327	664,060	9,249	673,309
Exchange differences	匯兌差額	-	-	1,875	1,875	-	1,875
Issue of shares (Note 25)	發行股份 (附註25)	250	600	-	850	-	850
Profit for the year	年度溢利	-	-	95,695	95,695	834	96,529
Dividends paid	已付股息	-	-	(53,474)	(53,474)	-	(53,474)
Surplus on revaluation of other properties	其他物業之重估盈餘	-	-	6,158	6,158	-	6,158
Investment in a subsidiary by a minority shareholder	一名少數股東於一家附屬公司之投資	-	-	-	-	2,945	2,945
As at 31st March 2006	於2006年3月31日	<u>48,794</u>	<u>57,789</u>	<u>608,581</u>	<u>715,164</u>	<u>13,028</u>	<u>728,192</u>

The notes on pages 63 to 117 are an integral part of these consolidated financial statements.

第63至117頁的附註為綜合財務報表的整體部分。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

(For the year ended 31st March 2007)  
(截至2007年3月31日止年度)

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cash flows from operating activities	營運活動之現金流量			
Net cash generated from operations	營運產生之現金淨額	28	<b>153,963</b>	103,174
Hong Kong profits tax paid	已付香港利得稅		<b>(16,130)</b>	(20,062)
Overseas income taxes paid	已付海外所得稅		<b>(77)</b>	(2,460)
Net cash generated from operating activities	營運活動產生之現金淨額		<b>137,756</b>	80,652
Cash flows from investing activities	投資活動之現金流量			
Purchase of property, plant and equipment and payment for leasehold land and land use rights	購置物業、廠房及設備及支付租賃土地及土地使用權		<b>(28,263)</b>	(33,803)
Disposal of property, plant and equipment and leasehold land and land use rights	出售物業、廠房及設備及租賃土地及土地使用權		<b>18,278</b>	264
Disposal of non-current asset held for sale	出售供出售之非流動資產		<b>850</b>	–
Interest received	已收利息		<b>2,438</b>	835
Repayment of loan from investee	償還投資公司之貸款		–	25
Net cash used in investing activities	投資活動所用現金淨額		<b>(6,697)</b>	(32,679)
Cash flows from financing activities	融資活動之現金流量			
Proceeds from short-term bank loans	短期銀行貸款所得款項		<b>40,000</b>	–
Repayment of short-term bank loans	償還短期銀行貸款		<b>(40,000)</b>	(21,420)
Interest on bank loans and overdrafts	銀行貸款及透支之利息		<b>(179)</b>	(1,309)
Proceeds from issue of ordinary shares	發行普通股所得款項		<b>1,551</b>	850
Dividends paid	已派股息		<b>(68,951)</b>	(53,474)
Repayment of the loan from a minority shareholder of a subsidiary	一家附屬公司向一名少數股東償還貸款		<b>(1,039)</b>	–
Dividend paid to a minority shareholder by a subsidiary	一家附屬公司向一名少數股東派付股息		<b>(368)</b>	–
Investment in a subsidiary by a minority shareholder	一名少數股東於一家附屬公司之投資		–	2,945
Net cash used in financing activities	融資活動所用現金淨額		<b>(68,986)</b>	(72,408)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物之增加/(減少)淨額		<b>62,073</b>	(24,435)
Cash and cash equivalents at 1st April	於4月1日之現金及現金等價物		<b>108,738</b>	131,406
Exchange differences	匯兌差額		<b>3,723</b>	1,767
Cash and cash equivalents at 31st March	於3月31日之現金及現金等價物		<b>174,534</b>	108,738

The notes on pages 63 to 117 are an integral part of these consolidated financial statements.

第63至117頁的附註為綜合財務報表的整體部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 1 GENERAL INFORMATION

Luk Fook Holdings (International) Limited (the "Company") was incorporated in Bermuda on 3rd September 1996 as a company with limited liability under the Companies Act of Bermuda. The address of its registered office is Canon's Court, 22 Victoria Street Hamilton HM 12 Bermuda.

The Company and its subsidiaries (collectively referred to as the "Group") are principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones and other accessory items.

These consolidated financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The consolidated financial statements have been approved for issue by the board of directors on 24th July 2007.

### 2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), including Hong Kong Accounting Standards ("HKAS") and Interpretations. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of buildings, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss (if any), which are stated at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

### 1 一般資料

六福集團(國際)有限公司(「本公司」)於1996年9月3日在百慕達根據百慕達公司法註冊成立為有限公司。其註冊辦事處地址為Canon's Court, 22 Victoria Street Hamilton HM 12 Bermuda。

本公司及其附屬公司(統稱「集團」)主要從事黃金首飾及黃金飾物、鑽石首飾及寶石和其他配件之零售及批發業務。

除另有說明外,此等綜合財務報表均以港元呈列。

綜合財務報表已於2007年7月24日獲董事會批准刊發。

### 2 編製基準

綜合財務報表乃根據香港財務報告準則(「香港財務報告準則」,包括香港會計準則(「香港會計準則」)及詮釋)編製。綜合財務報表按歷史成本慣例編製,並就按公平值列賬之樓宇重估以及按公平值計入損益之金融資產及金融負債(包括衍生工具)(如有)作出修訂。

編製與香港財務報告準則貫徹一致之財務報表需要使用若干關鍵會計估算,這亦需要管理層在應用本集團會計政策時作出判斷。涉及較多判斷或較複雜之範疇,或假設項目與估值對綜合財務報表而言屬重大之範疇,均於附註5披露。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 2 BASIS OF PREPARATION (Continued)

The following new standards, amendments to standards and interpretations are mandatory for financial year ended 31st March 2007.

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HKFRS 1 & HKFRS 6 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 4	Determining whether an Arrangement contains a Lease
HKFRS-Int 5	Rights to interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

The adoption of the above new standards, amendments to standards and interpretations did not have any significant financial impacts to the Group.

#### 2 編製基準 (續)

以下新準則、準則修訂及詮釋須於截至2007年3月31日止財政年度強制實行。

香港會計準則第19號 (修訂本)	精算盈虧、集體界定福利計劃及披露
香港會計準則第21號 (修訂本)	對國外經營的投資淨額
香港會計準則第39號 (修訂本)	預測內部交易的現金流量對沖會計處理
香港會計準則第39號 (修訂本)	公平值期權
香港會計準則第39號及香港財務報告準則第4號 (修訂本)	財務擔保合約
香港財務報告準則第1號及香港財務報告準則第6號 (修訂本)	首次採納香港財務報告準則及礦產資源的開採和評估
香港財務報告準則第6號	礦產資源的開採和評估
香港 (國際財務報告詮釋委員會) – 詮釋第4號	釐定一項安排是否包含租賃
香港 (國際財務報告詮釋委員會) – 詮釋第5號	對拆卸、復原及環境修復基金權益的權利
香港 (國際財務報告詮釋委員會) – 詮釋第6號	參與特殊市場 – 電氣及電子設備廢料 – 產生的負債

採納上述新準則、準則修訂及詮釋並無對本集團造成重大財務影響。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 2 BASIS OF PREPARATION (Continued)

The following new standards, amendments to standards and interpretations have been issued but are not effective and have not been early adopted. The directors anticipate that the adoption of these standards, amendments to standards and interpretations will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

#### 2 編製基準 (續)

以下已頒佈之新準則、準則修訂及詮釋尚未生效，且並無提早採納。董事預期，採納此等新準則、準則修訂及詮釋將不會對本集團會計政策造成重大變動。

香港會計準則第1號 (修訂本)	財務報告的呈列： 資本披露
香港財務報告準則 第7號	金融工具：披露
香港財務報告準則 第8號	經營分部
香港（國際財務報告 詮釋委員會）－ 詮釋第7號	應用香港會計準則第 29號「嚴重通脹 經濟中的財務報 告」下的重列法
香港（國際財務報告 詮釋委員會）－ 詮釋第8號	香港財務報告準則第 2號的範圍
香港（國際財務報告 詮釋委員會）－ 詮釋第9號	重新評估嵌入式 衍生工具
香港（國際財務報告 詮釋委員會）－ 詮釋第10號	中期財務報告及減值
香港（國際財務報告 詮釋委員會）－ 詮釋第11號	香港財務報告準則第 2號—集團及庫存 股份交易
香港（國際財務報告 詮釋委員會）－ 詮釋第12號	服務特許權協議

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st March.

##### (i) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, including any contingent liabilities assumed, the difference is recognised directly in the consolidated income statement.

### 3 主要會計政策

編製此等綜合財務報表所應用之主要會計政策載列如下。除另有說明者外，此等政策已於所有呈報年度貫徹應用。

#### (a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至3月31日之財務報表。

##### (i) 附屬公司

附屬公司指本集團有權監管其財務及營運決策並一般持有其過半數投票權持股之實體（包括特別目的實體）。於評估本集團是否控制另一實體時，會考慮是否存在現時可行使或可轉換之潛在投票權及其影響。附屬公司自其控制權轉移至本集團當日起全面綜合入賬。附屬公司自其控制權終止當日起取消綜合入賬。

本集團採用收購會計法就收購附屬公司入賬。收購成本按於交易當日所獲資產之公平值、已發行股本工具及已產生或承擔之負債加上直接源自收購之成本計量。在業務合併時所收購之可識別資產、所承擔之負債及或然負債，均於收購當日按其公平值初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購可識別資產淨值公平值之差額列作商譽。倘收購成本低於所收購附屬公司資產淨值（包括已承擔之任何或然負債）之公平值，則有關差額將直接在綜合損益表內確認。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (a) Consolidation (Continued)

(i) Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

(ii) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

#### (b) Segment reporting

A business segment is a distinguishable component of the Group that is engaged and operated either in providing particular products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

### 3 主要會計政策 (續)

#### (a) 綜合賬目 (續)

(i) 附屬公司 (續)

公司間交易、集團公司間交易之結餘及未變現盈利已對銷。未變現虧損亦會對銷。惟被當作已轉讓資產之減值指標。附屬公司之會計政策已按需要作出必要變動，以確保與本集團採納之政策一致。

在本公司之資產負債表內，於附屬公司之投資乃按成本值扣除減值虧損撥備列賬。附屬公司業績由本公司按已收及應收股息基準列賬。

(ii) 交易及少數股東權益

本集團採納了一項政策，將其與少數股東進行之交易視為與本集團以外的人士進行的交易。向少數股東進行的出售而導致本集團的盈虧於綜合損益表記賬。向少數股東進行購置而導致的商譽，相當於所支付的任何代價與相關應佔所收購附屬公司淨資產之賬面值的差額。

#### (b) 分部呈報

業務分部指本集團從事及經營提供特定產品或服務（業務分部），或於特定經濟環境內提供產品或服務（地區分部），且風險及回報有別於其他分部之明顯組成部分。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (b) Segment reporting (Continued)

In accordance with its internal financial reporting, the Group has determined that business segment information be presented as the primary reporting format and geographical segment information as the secondary reporting format.

#### (c) Foreign currency translation

(i) *Functional and presentation currency*  
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

(ii) *Transactions and balances*  
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit and loss are recognised in profit and loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the fair value reserve in equity.

### 3 主要會計政策 (續)

#### (b) 分部呈報 (續)

根據本集團之內部財務申報，本集團決定將業務分部資料呈列為主要呈報方式，而地區分部為從屬呈報方式。

#### (c) 外幣換算

(i) *功能貨幣及列賬貨幣*  
本集團旗下各實體之財務報表所列項目均採用有關實體經營所在主要經濟環境之通用貨幣（「功能貨幣」）計量。綜合財務報表以港元列賬。港元為本公司之功能貨幣及列賬貨幣。

(ii) *交易及結餘*  
外幣交易按交易當日之匯率兌換為功能貨幣。因結算有關交易及按年結日匯率換算以外幣列值之貨幣資產及負債所產生之匯兌損益均於損益表確認。

非貨幣性財務資產及負債的換算差額呈報為公平值盈虧的一部份。非貨幣性財務資產及負債(例如按公平值持有透過損益記賬的權益工具)的換算差額在損益表中呈報為公平值盈虧的一部份。非貨幣性財務資產(例如分類為可供出售的權益)的換算差額包括在權益中可供出售儲備內。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (c) Foreign currency translation (Continued)

##### (iii) Group companies

The results and financial position of the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (c) all resulting exchange differences are recognised as a separate component of equity.

### 3 主要會計政策 (續)

#### (c) 外幣換算 (續)

##### (iii) 集團公司

集團旗下所有實體(全部均非採用高通脹經濟體系之貨幣)之功能貨幣倘有別於列賬貨幣,其業績及財務狀況須按如下方式兌換為列賬貨幣:

- (a) 各資產負債表所列之資產及負債按其結算日之收市匯率換算;
- (b) 各損益表所列之收支按平均匯率換算,除非此平均匯率不足以合理概括交易日期適用匯率之累積影響,在此情況下,收支則按交易日期之匯率換算;及
- (c) 一切因此產生之匯兌差額均確認為權益之獨立部分。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (d) *Property, plant and equipment*

Buildings comprise retail shops and other properties such as office premises. Retail shops are stated at cost less accumulated depreciation and accumulated impairment losses. Properties other than retail shops ("other properties") are stated at valuation less subsequent accumulated depreciation. The valuation, being fair value at the date of valuation, is determined by the directors based on independent valuations which are performed every three years. In the intervening years, the directors review the carrying value of the buildings and adjustment is made where there has been a material change. Increases in valuation are credited to the revaluation reserve in shareholders' equity. Decreases in valuation are first offset against previous increases of the same property and are thereafter expensed in the income statement. Each year the difference between depreciation based on the revaluated carrying amount of the asset expensed in the income statement and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Buildings are depreciated on a straight-line basis over the unexpired period of leases or the expected useful lives of the buildings to the Group, whichever is shorter.

Other tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price of the asset and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

### 3 主要會計政策 (續)

#### (d) *物業、廠房及設備*

樓宇由零售商舖及其他物業(如辦公室)組成。零售商舖乃按成本值扣除累積折舊及累積減值虧損列賬。零售商舖以外之物業(「其他物業」)按估值扣除其後累積折舊列賬。估值為於估值日期之公平值,由董事根據每三年進行一次之獨立估值釐定。於年度間,董事審閱樓宇之賬面值,並於出現重大變動時作出調整。估值增值將計入股東權益的重估儲備。估值減少首先與先前相同物業增加相抵銷,其後於損益表支銷。每年,按經重估資產賬面值計算而於損益表支銷之折舊與基於該項資產之原有成本之折舊間之差額自重估儲備轉撥至保留盈利。

樓宇以直線法按未屆滿租約年期或按其對本集團之預計可使用年期(以較短者為準)計算折舊。

其他有形固定資產以成本值扣除累積折舊及累積減值虧損列賬。成本值包括該項資產之購買價及將資產達至其工作狀況及地點作擬定用途之任何直接應佔成本。

僅於與項目相關之日後經濟利益可能會流入本集團,且該項目之成本能夠可靠計量,則其後之成本方會計入該項資產之賬面值或確認為一項獨立資產(倘適用)。所有其他維修及保養會於其產生之財務期間內在損益表支銷。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (d) Property, plant and equipment (Continued)

Depreciation is calculated on a straight-line basis to write off the cost less accumulated impairment losses of each asset to their residual values over their estimated useful lives as follows:

Leasehold improvements	20% or over the unexpired lease period, whichever is shorter
Furniture and fixtures and computer equipment	20%
Plant and machinery	20%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3 (g)).

Gains and losses on disposals are determined by comparing net proceeds with carrying amount of the relevant assets and are included in the consolidated income statement.

#### (e) Leasehold land and land use rights

Leasehold land and land use rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Cost represents consideration paid for the rights to use the land on which various plants and buildings are generally situated for a period from 50 to 70 years. Amortisation of leasehold land and land use rights is calculated on a straight-line basis over the period of the lease.

### 3 主要會計政策 (續)

#### (d) 物業、廠房及設備 (續)

折舊以直線法按各資產之預計可使用年期撇銷成本扣除累計減值虧損至剩餘價值計算。預計可使用年期如下：

租賃物業裝修	20%或按租約尚餘期間(以較短者為準)
傢俬、裝置及電腦設備	20%
機器及設備	20%
汽車	20%

資產的剩餘價值及可使用年期在每個結算日進行檢討，及在適當時調整。

倘資產之賬面值高於其估計可收回金額，則該項資產之賬面值會即時撇減至其可收回金額(附註3(g))。

出售盈虧透過將所得款項淨額與有關資產之賬面值相比較予以釐定，並計入綜合損益表。

#### (e) 租賃土地及土地使用權

租賃土地及土地使用權乃按成本值減累計攤銷及累計減值虧損(如有)列賬。成本指就使用通常建有多幢廠房及樓宇之土地之權利(為期50至70年)所支付之代價。攤銷租賃土地及土地使用權乃按租賃年期以直線法攤銷。



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

**(f) Trading licence**

Trading licence with indefinite useful lives is carried at cost less accumulated impairment losses, if any.

**(g) Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. The cost of merchandise comprises raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 3 主要會計政策 (續)

**(f) 交易執照**

並無特定可使用年期之交易執照按成本值減累計減值虧損 (若有) 列賬。

**(g) 非金融資產之減值**

並無特定可使用年期之資產毋需攤銷，並每年進行減值檢測。須攤銷之資產乃於發生任何事件或環境變化顯示其賬面值可能不能收回時審閱減值。倘資產之賬面值超過其可收回金額，會就其差額確認減值虧損。資產之可收回金額為公平值減出售成本與其可使用價值中較高者。評估減值時，資產乃按最低水平之可獨立識別現金流量 (現金產生單位) 予以分類。出現減值之非金融資產 (商譽除外) 將於每個報告日期審閱是否有撥回減值之可能。

**(h) 存貨**

存貨乃按成本值及可變現淨值兩者之較低者列賬。成本採用先入先出法釐定。商品成本包括原材料、直接勞工成本及其他直接成本。商品成本不包括借貸成本。可變現淨值乃按於日常業務過程中之估計售價減適用之可變銷售費用。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Such provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the consolidated income statement.

#### (j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts, if any. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### (k) Derivative financial instruments

Derivative financial instruments, if any, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised within the income statement.

#### (l) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

### 3 主要會計政策 (續)

#### (i) 貿易應收賬項

貿易應收賬款初步按公平值確認，其後採用實際利息法就已攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收賬款之原訂條款收回全部欠款時，則作出貿易應收賬項減值撥備。撥備金額為有關資產之賬面值與估計現金流量按實際利率貼現之現值兩者間之差額。撥備金額在綜合損益表確認。

#### (j) 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款、原到期日為三個月或以下的其他短期高度流動性投資及銀行透支（如有）。銀行透支在資產負債表的流動負債中貸款內列示。

#### (k) 衍生金融工具

衍生金融工具（如有）初步按衍生工具合約訂立日期之公平值確認，其後按其公平值重新計量，而公平值變動則於損益表確認。

#### (l) 金融負債及權益

本集團之金融負債及所發行股本工具乃根據所訂立合約安排之內容，及金融負債與股本工具之定義分類。股本工具為證明於本集團資產經扣除其所有負債後剩餘權益之合約。

普通股分類為權益。發行新股之直接應佔增加成本，乃於權益中列作所得款項之扣減項目。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

#### (n) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

### 3 主要會計政策 (續)

#### (m) 借貸

借貸初步按公平值 (經扣除所產生交易成本) 予以確認, 其後按已攤銷成本列賬, 所得款項 (經扣除交易成本) 與贖回價值兩者間之任何差額, 會以實際利息法於借貸期間內在綜合損益表中確認。

除非本集團有無條件權利可將負債結清時間延遲至結算日後最少12個月, 否則借貸須分類為流動負債。

#### (n) 遞延所得稅

遞延所得稅採用負債法就資產與負債之稅基與其在綜合財務報表內賬面值兩者之暫時差異作全數撥備。然而, 倘遞延所得稅乃源自進行交易 (不包括企業合併) 時不影響會計或應課稅盈虧之資產或負債之初步確認, 則不會計算遞延所得稅。遞延所得稅以結算日頒佈或實質上頒佈之稅率及法例釐定, 且該等稅率預期將於相關遞延所得稅資產變現或遞延所得稅負債結算時應用。

遞延所得稅資產乃在可能有未來應課稅溢利可動用以抵銷暫時差異之情況下確認。

遞延所得稅就投資附屬公司產生之暫時差異而撥備, 惟倘本集團可控制暫時差異撥回時間, 以及暫時差異可能不會在可預見將來撥回之情況則除外。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (o) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Profit sharing and bonus plans*

Provisions for profit sharing and bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) *Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund Scheme (the “MPF Scheme”) which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the MPF Scheme are held in a separately administered fund. The MPF Scheme is generally funded by payments from employees and by the Group.

The Group’s contributions to the MPF Scheme are expensed as incurred and are reduced by the employer’s voluntary contribution forfeited from the MPF Scheme by those employees who leave the scheme prior to vesting fully in the contributions.

### 3 主要會計政策 (續)

#### (o) 僱員福利

(i) 僱員休假權利

僱員享有年假之權利於此等權利產生時確認。本集團就截至結算日止僱員提供服務產生之年假之估計負債作出撥備。

僱員享有病假及分娩假期之權利直至僱員休假方予確認。

(ii) 溢利分享及花紅計劃

當本集團因僱員提供服務而產生現有法律定或推定責任，而責任金額能可靠估算時，則確認溢利分享及花紅計劃之撥備。

(iii) 退休金責任

本集團推行一項定額供款強制性公積金退休計劃（「強積金計劃」），計劃已根據香港強制性公積金計劃條例註冊。強積金計劃之資產乃以獨立管理之基金持有。強積金計劃之資金一般由僱員及本集團撥付。

本集團向強積金計劃作出之供款於產生時列作支銷，並可以自供款全數撥歸前退出計劃之僱員沒收之強積金計劃僱主自願性供款扣減。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (o) *Employee benefits (Continued)*

##### (iv) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as employee share option expense in the income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to employee share-based compensation reserve over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

#### (p) *Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

### 3 主要會計政策 (續)

#### (o) *僱員福利 (續)*

##### (iv) *以股份支付之酬金*

本集團設有一項以股本結算之股份支付酬金計劃。就僱員提供服務而授予購股權作交換之公平值在損益表確認為僱員購股權開支。於歸屬期內支銷之總金額，乃參考所授購股權之公平值釐定，惟不包括任何非市場性質之歸屬條件所產生之影響（例如溢利及銷售增長目標）。在假設預期可予行使之購股權數目時，非市場性質之歸屬條件亦包括在內。於各結算日，有關實體修訂其對預期可予行使之購股權數目所作估算，並在損益表確認修訂原有估算（如有）所產生之影響，以及於餘下歸屬期對僱員股份酬金儲備作相應調整。

所得款項扣除任何直接應佔交易成本後在行使購股權時撥入股本（面值）及股份溢價。

#### (p) *撥備*

本集團由於過往事項而負上現有法定或推定責任，並較可能有資源流出以償付責任，且該金額已作可靠估計，便會確認撥備。並無就日後營運虧損確認撥備。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (q) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added-tax, sales returns and discounts, after eliminated sales within the Group.

Turnover represents revenues recognised on sales of goods, and are recognised as follows:

- (i) *Sales of goods – wholesales*  
Sales of goods are recognised when a group entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been delivered to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (ii) *Sales of goods – retail*  
Sales of goods are recognised when a group entity sells a product to the customer. Retail sales are usually in cash or by credit card.

It is the Group's policy to sell its products to the end customer with a right of return within one year. Accumulated experience is used to estimate and provide for such returns at the time of sale. The Group does not operate any loyalty programme.

### 3 主要會計政策 (續)

#### (q) 收益確認

收益指本集團於日常業務中出售貨物而實收或應收代價之公平值。收益扣除增值稅、退貨及折扣，並對銷本集團內部之銷售後列賬。

營業額指就銷售貨品確認收益，並確認如下：

- (i) *銷售貨品 – 批發*  
當集團實體已將貨品交付予批發商，批發商對銷售產品的渠道和價格擁有完全決定權，且沒有未履行的責任可能影響批發商對產品的接收時，貨品銷售即確認入賬。當產品已付運予至指定地點，廢棄和損失風險已轉讓予批發商，而批發商已根據銷售合約接收產品，或接收條款已作廢，或本集團有客觀證據顯示所有接收條款已經履行後，貨品交付才算產生。
- (ii) *銷售貨品 – 零售*  
銷售貨品於一個集團實體向客戶銷售貨物時確認。零售通常以現金或信用卡結算。

本集團的政策是向最終客戶出售產品時附有一年內的退貨權。所累積的經驗用以估計銷售時該等退貨並作出撥備。本集團並無營運任何客戶忠誠計劃。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

### 3 PRINCIPAL ACCOUNTING POLICIES

(Continued)

#### (q) *Revenue recognition (Continued)*

Royalty income in respect of the use of the Group's trademarks is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Consultancy fee income in respect of technical support and consultancy services is recognised in the period the services are rendered in accordance with the substance of the relevant agreements.

Interest income from bank deposits is recognised on a time proportion basis using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

#### (r) *Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

#### (s) *Dividend distribution*

Interim/final dividends to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are declared/approved by the Company's directors/shareholders respectively.

#### (t) *Comparative figures*

When necessary, prior year amounts have been reclassified to conform with the changes in presentation in the current year.

### 3 主要會計政策 (續)

#### (q) *收益確認 (續)*

有關使用本集團品牌的專利權收入根據相關協議的實質內容按應計基準確認。

有關提供技術支援及顧問服務之顧問費收入根據相關協議之條款於提供服務之期間確認。

銀行存款利息收入使用實際利率法按時間比例確認。

股息收入於收款權利確立時確認。

#### (r) *經營租賃*

經營租賃指擁有權之絕大部分風險及回報仍屬出租人所有之租賃。根據經營租賃支付之租金(扣除出租人所給予之優惠後)以直線法按租期自綜合損益表扣除。

#### (s) *股息分派*

向本公司股東分派之中期/末期股息在股息獲本公司董事/股東分別宣派/批准之期間內於本集團財務報表確認為負債。

#### (t) *比較數字*

於需要情況下,過往年度數字已重新分類以符合本年度呈列方式之變動。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 4 FINANCIAL RISK MANAGEMENT

##### (a) *Financial risk factors*

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk, liquidity risk, interest rate risk and commodity price risk. The use of financial derivatives to hedge certain risk exposures is governed by the Group's policies. The Group does not use derivative financial instruments for speculative purposes.

##### (i) *Foreign exchange risk*

The Group mainly operates in Hong Kong with most of the transactions settled in HK\$. The Group also has retail operations in the United States, Canada, Macau and the People's Republic of China (the "PRC"), which are relatively insignificant to the Group. The Group's assets and liabilities, and transactions arising from its operations that are exposed to foreign exchange risk are primarily with respect to Renminbi ("RMB"). The Group has not used any forward contracts to hedge its exposure as foreign currency risk is considered minimal.

As at 31st March 2007, the Group had certain deposits in banks (Note 29) denominated in foreign currencies. The HK\$ has been relatively stable against the RMB over the past few years. Since July 2005, the RMB has appreciated against the HK\$. The directors are of the opinion that such appreciation did not have any material adverse impact on the Group's net assets.

#### 4 財務風險管理

##### (a) *財務風險因素*

本集團業務承受各種財務風險，包括外匯風險、信貸風險、流動資金風險、利率風險及商品價格風險。使用衍生金融工具對沖若干風險受本集團之政策規管。本集團並無就投機目的而使用衍生金融工具。

##### (i) *外匯風險*

本集團主要於香港經營業務，且大部分交易以港元結算。本集團亦於美國、加拿大、澳門及中華人民共和國（「中國」）設有零售業務，該等業務對本集團相對並不重要。本集團之資產及負債以及面對外匯風險之業務所產生之交易，主要與人民幣有關。由於本集團認為外幣風險甚微，本集團並無使用任何遠期合約對沖此風險。

於2007年3月31日，本集團有若干以外幣計值之銀行存款（附註29）。過去數年港元對人民幣之匯率相對穩定。自2005年7月以來，人民幣兌港元曾多次升值。董事認為，此等升值對本集團之資產淨值並無重大不利影響。



## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 4 FINANCIAL RISK MANAGEMENT

(Continued)

#### (a) Financial risk factors (Continued)

##### (ii) Credit risk

The Group has no significant concentrations of credit risk. The carrying amount of trade receivables included in the consolidated balance sheet represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. The Group's historical experience in collection of trade and other receivables falls within the recorded allowances and the directors are of the opinion that adequate provision for uncollectible trade receivables has been made in the financial statements.

##### (iii) Liquidity risk

The Group's primary cash requirements have been for additions to and upgrades of property, plant and equipment, payment for purchases and operating expenses. The Group finances its working capital requirements through a combination of funds generated from operations and bank borrowings.

Due to the dynamic nature of the underlying businesses, the Group's policy is to maintain sufficient cash and cash equivalents or have available funding through adequate committed credit facilities to meet its working capital requirements. The directors believe that the Group has obtained sufficient general credit facilities from banks for financing capital commitments in the near future and for working capital purposes.

### 4 財務風險管理 (續)

#### (a) 財務風險因素 (續)

##### (ii) 信貸風險

本集團並無任何重大集中信貸風險之情況。記入綜合資產負債表內之貿易應收賬項之賬面值為本集團就金融資產面對之最高信貸風險。本集團有既定政策以確保向信貸紀錄良好之客戶銷售產品，且本集團對客戶進行定期信用評估。本集團貿易及其他應收賬項之過往收款經驗乃處於記錄撥備幅度內，董事認為，已於財務報表就不可收回之貿易應收賬項作出足夠撥備。

##### (iii) 流動資金風險

本集團之基本現金需求為支付物業、廠房及設備之添置及升級、採購付款及經營開支。本集團透過經營產生之資金及銀行借貸撥付其營運資金需求。

由於相關業務之動態性質，本集團之政策乃維持足夠之現金及現金等價物或透過足夠之已承諾信貸融資取得備用資金，以應付其營運資金需要。董事相信，本集團已自銀行取得足夠一般信貸融資，以撥付短期之資本承擔及作為營運資金用途。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 4 FINANCIAL RISK MANAGEMENT

(Continued)

#### (a) Financial risk factors (Continued)

(iv) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets except for the cash and cash equivalents, details of which have been disclosed in Note 29. The Group has not used any interest rate swap to hedge its exposure to interest rate risk.

(v) Commodity price risk

The Group is engaged in the sale of gold and platinum ornaments. The gold and platinum markets are influenced by global as well as regional supply and demand conditions. A decline in prices of gold and platinum could adversely affect the Group's financial performance. The Group uses a limited number of future contracts to reduce its exposure to fluctuations in the prices of gold and platinum.

#### (b) Fair value estimation

The carrying amounts of the Group's current financial assets, including bank balances and cash, trade receivables, other receivables, prepayments and deposits, and current financial liabilities, including trade and other payables, approximate their fair values due to their short maturities. The fair value of the "non-current asset held for sale" is determined with reference to the estimated cash flows arising from the disposal of the asset.

The face value, less any estimated credit adjustments, of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

### 4 財務風險管理 (續)

#### (a) 財務風險因素 (續)

(iv) 利率風險

本集團之收入及經營現金流量實際上並不受市場利率變動之影響，除現金及現金等價物外，本集團並無任何重大計息資產，詳情於附註29披露。本集團並無使用任何利率掉期交易對沖其所承受之利率風險。

(v) 商品價格風險

本集團從事黃金及鉑金首飾銷售之業務。黃金及鉑金市場受全球以及地區供求狀況影響。黃金及鉑金價格下跌可能對本集團之財務表現造成不利影響。本集團使用若干數量之期貨合約，減少黃金及鉑金價格波動所帶來之風險。

#### (b) 公平值估計

本集團流動金融資產（包括銀行結餘及現金、貿易應收賬項、其他應收賬項、預付賬項及按金）以及流動金融負債（包括貿易及其他應付賬項）因期限較短，因此其賬面值與公平值相若。分類為「持有供出售之非流動資產」之公平值乃參考出售該資產所產生估計現金流量釐定。

任何於一年內到期之金融資產及負債之面值減任何估計信貸調整後，均假設與其公平值相若。就披露目的而言，金融負債之公平值乃按本集團就類似金融工具可獲得之現時市場利率貼現未來合約現金流量而估計。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (i) *Depreciation and amortisation*

The Group's management determines the estimated useful lives and related depreciation/amortisation charges for the property, plant and equipment and leasehold land and land use rights with reference to the estimated periods over which the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation and amortisation charge where useful lives are different from those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

#### (ii) *Inventories*

Management estimates the net realisable value of merchandise based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product-by-product basis at each balance sheet date and makes provision for impairment on obsolete and slow-moving items to write-off or write-down inventories to their net realisable value.

### 5 關鍵會計估計及判斷

在編製財務報表時所採用之估計及判斷，乃按過往經驗及其他因素（包括根據有關情況對未來事件作出之合理預計）不斷作出評估。所得會計估算按其定義，甚少會與相關實際結果相同。下文討論有重大風險導致下一財政年度資產及負債之賬面值須作出重大調整之估計及假設。

#### (i) *折舊與攤銷*

本集團管理層參考本集團計劃自使用該等資產而獲得未來經濟效益之估計期限，釐定物業、廠房及設備以及租賃土地及土地使用權之估計可使用年期及相關折舊／攤銷費用。倘可使用年期與先前估計者不同，管理層將修訂折舊及攤銷費用，或將技術上過時或已報廢或出售之非策略資產撤銷或撤減。

#### (ii) *存貨*

管理層主要根據最近期之發票價格及目前市況估計商品之可變現淨值。本集團於各結算日對每個產品進行盤點，對過時及滯銷項目作出減值撥備，以撤銷或撤減存貨至其可變現淨值。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (iii) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount in accordance with the accounting policy stated in Note 3(g). The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value, which is prepared on the basis of management's assumptions and estimates. Detailed sensitivity analyses are performed and management must be confident that the carrying amount of the relevant assets will be recovered in full.

#### (iv) Income taxes

The Group is subject to income taxes in Hong Kong and other jurisdictions. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### 5 關鍵會計估計及判斷(續)

#### (iii) 非金融資產減值

根據附註3(g)所述會計政策，倘發生事件或情況有變，顯示資產賬面值超過其可收回金額，則會檢討資產減值。資產或現金產生單位之可收回金額按使用價值計算方法釐定。該使用價值計算方法要求本集團就預計自現金產生單位所得之未來現金流量以及合適之貼現率作出估計，以計算現值（根據管理層之假設及估計而編製）。管理層已作出詳細之敏感度分析，且確信相關資產之賬面值將可全數收回。

#### (iv) 所得稅

本集團須於香港及其他司法權區繳納所得稅。在日常業務中，有若干交易和計算所涉及之最終稅務決定並不確定。倘該等事項之最終稅務結果與最初記錄之金額不同，此等差額將影響作出有關決定期間之所得稅及遞延稅項撥備。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 6 TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items.

Turnover represents invoiced sales of goods and includes an amount of HK\$641,913,000 (2006: HK\$491,338,000) which was settled by gold bullion and the gold bullion was in turn used for settlement of trade payables.

##### ***Primary reporting format – business segments***

The Group is organised mainly in Hong Kong into two major business segments:

- Retailing of jewellery
- Manufacturing and wholesaling of jewellery, including the provision of technical support and consultancy services, and quality control of jewellery products to certain licensees

Other operations of the Group mainly represent investments and services relating to internet and software development.

#### 6 營業額及分部資料

本集團主要從事金飾與黃金裝飾品、鑽石首飾及寶石以及其他配飾之零售及批發業務。

營業額指銷售商品，並包括以純金條結算之銷售為數641,913,000港元（2006年：491,338,000港元），有關金條乃用以結算貿易應付賬項。

##### ***主要呈報方式 – 業務分部***

本集團主要於香港經營兩個主要業務分部：

- 首飾零售
- 首飾生產及批發，包括向若干特許商提供技術支援及顧問服務以及首飾產品之品質監控

本集團其他業務主要指投資以及有關互聯網及軟件開發之服務。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 6 TURNOVER AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments  
(Continued)

### 6 營業額及分部資料(續)

主要呈報方式 – 業務分部(續)

		Retailing		Manufacturing and wholesaling		Other operations		Eliminations		Group	
		零售		製造及批發		其他業務		撤銷		本集團	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Turnover from external customers	對外客戶營業額	1,847,555	1,427,434	995,049	696,843	2,543	2,020	-	-	2,845,147	2,126,297
Inter-segment sales	分部間銷售額	55,805	40,292	588,128	435,700	-	23	(643,933)	(476,015)	-	-
Other income from external customers	來自對外客戶之其他收入	1,713	915	43,243	22,570	4,720	1,881	-	-	49,676	25,366
Inter-segment other income	分部間之其他收入	-	-	-	-	578	797	(578)	(797)	-	-
Total	總額	1,905,073	1,468,641	1,626,420	1,155,113	7,841	4,721	(644,511)	(476,812)	2,894,823	2,151,663
Segment results	分部業績	163,105	118,490	100,140	35,068	3,460	11	(8,590)	(2,811)	258,115	150,758
Gain on disposal of a property	出售一項物業之收益	-	-	-	-	10,610	-	-	-	10,610	-
Interest income	利息收入	-	-	-	-	-	-	-	-	2,438	835
Unallocated costs	未分配成本	-	-	-	-	-	-	-	-	(36,296)	(37,864)
Operating profit	經營溢利	-	-	-	-	-	-	-	-	234,867	113,729
Finance costs	財務費用	-	-	-	-	-	-	-	-	(179)	(1,309)
Profit before taxation	除稅前溢利	-	-	-	-	-	-	-	-	234,688	112,420
Taxation	稅項	-	-	-	-	-	-	-	-	(35,728)	(15,891)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	198,960	96,529
Segment assets	分部資產	722,486	550,222	830,096	579,997	12,621	15,370	(518,920)	(313,009)	1,046,283	832,580
Unallocated assets	未分配資產	-	-	-	-	-	-	-	-	73,746	66,361
Total assets	總資產	-	-	-	-	-	-	-	-	1,120,029	898,941

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 6 TURNOVER AND SEGMENT INFORMATION (Continued)

Primary reporting format – business segments  
(Continued)

### 6 營業額及分部資料 (續)

主要呈報方式 – 業務分部 (續)

		Retailing		Manufacturing and wholesaling		Other operations		Eliminations		Group	
		零售		製造及批發		其他業務		撤銷		本集團	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Segment liabilities	分部負債	(640,282)	(396,872)	(99,811)	(64,790)	(1,651)	(2,575)	518,922	313,009	(222,822)	(151,228)
Unallocated liabilities	未分配負債									(34,322)	(19,521)
Total liabilities	總負債									(257,144)	(170,749)
Depreciation	折舊										
– allocated	– 已分配	13,186	8,545	8,070	6,256	18	308	–	–	21,274	15,109
– unallocated	– 未分配									4,219	3,747
										25,493	18,856
Amortisation	攤銷										
– allocated	– 已分配	16	1	133	122	7	15	–	–	156	138
– unallocated	– 未分配									13	44
										169	182
Capital expenditure	資本開支										
– allocated	– 已分配	19,112	12,750	7,745	18,336	–	911	–	–	26,857	31,997
– unallocated	– 未分配									1,406	1,806
										28,263	33,803

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 6 TURNOVER AND SEGMENT INFORMATION (Continued) Secondary reporting format – geographical segments

The geographical analysis is divided into three regions:

- Hong Kong
- PRC
- Others

		Turnover 營業額		Total assets 總資產		Capital expenditure 資本開支	
		2007	2006	2007	2006	2007	2006
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Hong Kong	香港	<b>2,690,128</b>	2,019,515	<b>809,032</b>	653,202	<b>16,587</b>	13,432
PRC	中國	<b>38,938</b>	22,323	<b>252,396</b>	195,084	<b>9,033</b>	18,644
Others	其他	<b>116,081</b>	84,459	<b>58,601</b>	50,655	<b>2,643</b>	1,727
		<b>2,845,147</b>	2,126,297	<b>1,120,029</b>	898,941	<b>28,263</b>	33,803

### 6 營業額及分部資料(續)

#### 從屬呈報方式 – 地區分部

地區分析劃分為三個地區：

- 香港
- 中國
- 其他

### 7 OTHER INCOME

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Royalty income	專利權收入	<b>29,920</b>	15,502
Consultancy fee income	顧問費收入	<b>10,148</b>	7,054
Others	其他	<b>9,608</b>	2,810
		<b>49,676</b>	25,366

### 7 其他收入

### 8 OTHER GAINS

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Gain on disposal of a property	出售一項物業之收益	<b>10,610</b>	–
Interest income	利息收入	<b>2,438</b>	835
Net exchange gain	匯兌收益淨額	<b>3,716</b>	920
Write back of provision for slow-moving inventories	回撥滯銷存貨撥備	<b>1,976</b>	3,168
		<b>18,740</b>	4,923

### 8 其他收益



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 9 EXPENSES BY NATURE

#### 9 按性質分類的開支

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cost of inventories sold	已售存貨成本	2,257,306	1,666,615
Staff costs (including directors' emoluments)	職員成本 (包括董事酬金)	176,772	155,076
Operating lease rentals in respect of land and buildings	土地及樓宇經營租賃之租金	103,188	91,156
Depreciation of property, plant and equipment	物業、廠房及設備折舊	25,493	18,856
Auditor's remuneration	核數師酬金	2,846	2,666
Loss on disposal of other property, plant and equipment	出售其他物業、廠房及設備之虧損	2,124	1,572
Provision for permanent impairment of available-for-sale financial asset	可供出售金融資產永久減值撥備	-	1,042
Write-down of non-current asset held for sale to fair value (Note 23)	撇減持有供出售之非流動資產至公平值 (附註23)	-	662
Deficit on revaluation of other properties	其他物業之重估虧絀	269	22
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	169	182
Others	其他	110,529	105,008
<b>Total cost of sales, selling and distribution costs and administrative expenses</b>	<b>銷售成本、銷售及分銷費用以及行政費用總額</b>	<b>2,678,696</b>	<b>2,042,857</b>
Representing:	指:		
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cost of sales	銷售成本	2,257,306	1,666,615
Selling and distribution costs	銷售及分銷費用	375,504	333,241
Administrative expenses	行政費用	45,886	43,001
		<b>2,678,696</b>	<b>2,042,857</b>

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 10 FINANCE COSTS

### 10 財務費用

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Interest on short-term bank loans	短期銀行貸款之利息	<u>179</u>	<u>1,309</u>

### 11 TAXATION

### 11 稅項

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Hong Kong profits tax	香港利得稅		
– current	– 即期	37,047	17,448
– over-provision in prior years	– 往年度超額撥備	(2,316)	(3,728)
Overseas taxation	海外稅項	2,702	3,370
Deferred taxation ( <i>Note 27</i> )	遞延稅項 ( <i>附註27</i> )	(1,705)	(1,199)
		<u>35,728</u>	<u>15,891</u>

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

香港利得稅乃就本年度估計應課稅溢利按稅率17.5% (2006年:17.5%) 提撥準備。海外溢利之稅項乃就本年度估計應課稅溢利按本集團業務所在國家當時稅率計算。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 11 TAXATION (Continued)

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate in Hong Kong as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Profit before taxation	除稅前溢利	234,688	112,420
Calculated at a taxation rate of 17.5% (2006: 17.5%)	按稅率17.5% (2006年:17.5%) 計算之稅項	41,070	19,674
Effect of different taxation rates in other countries	其他國家稅率不同之影響	(664)	122
Income not subject to taxation	毋須課稅之收入	(5,421)	(3,007)
Expenses not deductible for taxation purposes	不可扣稅之支出	2,724	2,144
Over-provision in prior years	往年度超額撥備	(2,316)	(3,728)
Unrecognised tax losses	未確認稅項虧損	765	1,189
Utilisation of previously unrecognised tax losses	動用以往未確認稅項虧損	(430)	(503)
		<b>35,728</b>	<b>15,891</b>

### 11 稅項 (續)

本集團除稅前溢利之稅項與使用香港稅率計算之理論稅項差異如下：

### 12 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of HK\$59,951,000 (2006: HK\$59,696,000).

### 12 本公司權益持有人應佔溢利

於本公司財務報表內處理之本公司權益持有人應佔溢利為59,951,000港元 (2006年：59,696,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 13 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$198,059,000 (2006: HK\$95,695,000) and the weighted average number of 491,645,066 (2006: 486,738,371) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$198,059,000 (2006: HK\$95,695,000) and the weighted average number of 491,645,066 (2006: 490,458,067) ordinary shares in issue during the year after adjusting for the effects of all potential dilutive ordinary shares deemed to be issued at no consideration if all outstanding share options granted under the share option scheme of the Company had been exercised.

### 13 每股盈利

每股基本盈利乃根據本公司權益持有人應佔本集團溢利198,059,000港元(2006年:95,695,000港元)及年內已發行普通股之加權平均數491,645,066股(2006年:486,738,371股)計算。

每股攤薄盈利乃根據本公司權益持有人應佔本集團溢利198,059,000港元(2006年:95,695,000港元)及年內就假設根據本公司購股權計劃授出之所有尚未行使購股權獲行使而視為以零代價發行之所有潛在攤薄普通股之影響作出調整後之已發行普通股加權平均數491,645,066股(2006年:490,458,067股)計算。

### 14 DIVIDENDS

2006/07 interim, paid, of HK\$0.07 (2005/06 interim: HK\$0.03) per ordinary share	已派2006/07年度中期股息每股 普通股0.07港元(2005/06年度 中期股息:0.03港元)
2006/07 final, proposed, of HK\$0.11 (2005/06 final: HK\$0.07) per ordinary share (note)	擬派2006/07年度末期股息每股 普通股0.11港元(2005/06年度 末期股息:0.07港元)(附註)

*Note:* At a meeting held on 24th July 2007, the directors proposed a final dividend of HK\$0.11 per ordinary share. This proposed dividend is not reflected as dividends payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31st March 2008.

### 14 股息

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
	<u>34,476</u>	<u>14,638</u>
	<u>54,176</u>	<u>34,156</u>

*附註:* 於2007年7月24日舉行之會議上,董事建議宣派末期股息每股普通股0.11港元。此擬派股息並無於此等財務報表中反映為應付股息,惟將於截至2008年3月31日止年度列作保留盈利分派。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 15 RETIREMENT BENEFIT COSTS

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Net contributions to the MPF Scheme charged to the consolidated income statement	於綜合損益表中支銷之強積金計劃供款淨額	<b>6,641</b>	<b>5,480</b>

Contributions under the Mandatory Provident Fund Scheme are immediately fully vested in the employees.

At 31st March 2007 and 2006, there were no unutilised forfeited contributions.

#### 15 退休福利成本

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Net contributions to the MPF Scheme charged to the consolidated income statement	<b>6,641</b>	<b>5,480</b>

根據強制性公積金計劃作出之供款即時全面歸屬於僱員。

於2007年及2006年3月31日，並無未動用之沒收供款。

#### 16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

##### (a) Directors' emoluments

The aggregate amounts of emoluments payable to the directors of the Company during the year were as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Fees	袍金	<b>933</b>	921
Salaries, allowances and benefits-in-kind	薪金、津貼及實物利益	<b>15,692</b>	11,962
Performance and discretionary bonuses	按表現及酌情發放之花紅	<b>4,878</b>	2,300
Contributions to pension plan	退休計劃供款	<b>248</b>	268
Total payable and expensed in the financial statements	應付賬項及已於財務報表支銷開支之總額	<b>21,751</b>	15,451
Benefit from exercise of share options	行使購股權所得利益	<b>3,286</b>	3,650

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Fees	<b>933</b>	921
Salaries, allowances and benefits-in-kind	<b>15,692</b>	11,962
Performance and discretionary bonuses	<b>4,878</b>	2,300
Contributions to pension plan	<b>248</b>	268
Total payable and expensed in the financial statements	<b>21,751</b>	15,451
Benefit from exercise of share options	<b>3,286</b>	3,650
	<b>25,037</b>	19,101

#### 16 董事及高級管理人員酬金

##### (a) 董事酬金

年內應付本公司董事之酬金總額如下：

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

#### (a) Directors' emoluments (Continued)

The remuneration of each director is set out below:

For the year ended 31st March 2007

截至2007年3月31日止年度

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonuses 酌情發放 之花紅 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Employer's contribution to pension scheme 僱主對 退休金計劃 之供款 HK\$'000 千港元	Total payable and expensed in the financial statements 應付賬項 及已於財務 報表支銷 開支之總額 HK\$'000 千港元	Benefit from exercise of share options 行使購股權 所得利益 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
WONG Wai Sheung	黃偉常	55	12,547	2,549	-	117	15,268	3,286	18,554
TSE Moon Chuen	謝滿全	55	919	717	-	43	1,734	-	1,734
LAW Tim Fuk, Paul	羅添福	55	1,082	1,275	-	50	2,462	-	2,462
LAU Kwok Sum	劉國森	55	799	337	-	38	1,229	-	1,229
WONG Koon Cheung	黃冠章	55	115	-	-	-	170	-	170
CHAN Wai	陳偉	55	115	-	-	-	170	-	170
LEE Shu Kuan	李樹坤	55	115	-	-	-	170	-	170
YEUNG Po Ling, Pauline (note)	楊寶玲 (附註)	55	-	-	-	-	55	-	55
HUI King Wai	許競威	110	-	-	-	-	110	-	110
CHIU Wai Mo <sup>†</sup>	趙偉武 <sup>†</sup>	123	-	-	-	-	123	-	123
HUI Chiu Chung <sup>†</sup>	許照中 <sup>†</sup>	123	-	-	-	-	123	-	123
LO Mun Lam, Raymond <sup>†</sup>	盧敏霖 <sup>†</sup>	137	-	-	-	-	137	-	137
		<u>933</u>	<u>15,692</u>	<u>4,878</u>	<u>-</u>	<u>248</u>	<u>21,751</u>	<u>3,286</u>	<u>25,037</u>

Note:

Miss YEUNG Po Ling, Pauline has entered into a service contract with a subsidiary of the Company for her exclusive services for the promotion of the products and services of the Group (see also Note 31(b)).

### 16 董事及高級管理人員酬金 (續)

#### (a) 董事酬金 (續)

各董事之酬金如下:

附註:

楊寶玲小姐已就提供獨家服務予本集團,以推廣本集團的產品及服務,與本公司一附屬公司訂立服務合約(另見附註31(b))。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

#### (a) Directors' emoluments (Continued)

For the year ended 31st March 2006

截至2006年3月31日止年度

Name of Director	董事姓名	Fees 袍金 HK\$'000 千港元	Salaries 薪金 HK\$'000 千港元	Discretionary bonuses 酌情發放 之花紅 HK\$'000 千港元	Housing allowances 房屋津貼 HK\$'000 千港元	Employer's contribution to pension scheme 僱主對 退休金計劃 之供款 HK\$'000 千港元	Total payable and expensed in the financial statements 應付賬項 及已於財務 報表支銷 開支之總額 HK\$'000 千港元	Benefit from exercise of share options 行使購股權 所得利益 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
WONG Wai Sheung	黃偉常	55	8,267	1,227	-	114	9,663	3,650	13,313
TSE Moon Chuen	謝滿全	55	669	307	251	40	1,322	-	1,322
LAW Tim Fuk, Paul	羅添福	55	1,057	613	-	49	1,774	-	1,774
POON Kam Chi	潘錦池	41	598	-	-	28	667	-	667
LAU Kwok Sum	劉國森	55	775	153	-	37	1,020	-	1,020
WONG Koon Cheung	黃冠章	55	115	-	-	-	170	-	170
CHAN Wai	陳偉	55	115	-	-	-	170	-	170
LEE Shu Kuan	李樹坤	55	115	-	-	-	170	-	170
YEUNG Po Ling, Pauline	楊寶玲	55	-	-	-	-	55	-	55
HUI King Wai	許競威	110	-	-	-	-	110	-	110
CHIU Wai Mo <sup>#</sup>	趙偉武 <sup>#</sup>	110	-	-	-	-	110	-	110
HUI Chiu Chung <sup>#</sup>	許照中 <sup>#</sup>	110	-	-	-	-	110	-	110
LO Mun Lam, Raymond <sup>#</sup>	盧敏霖 <sup>#</sup>	110	-	-	-	-	110	-	110
		921	11,711	2,300	251	268	15,451	3,650	19,101

# Independent non-executive directors

# 獨立非執行董事

No directors waived their emoluments in respect of the years ended 31st March 2006 and 2007.

截至2006年及2007年3月31日止年度，並無董事放棄收取酬金。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 16 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

#### (b) *Five highest paid individuals*

Among the five highest paid individuals, four (2006: four) of them are directors of the Company and the details of their remuneration have been disclosed in the preceding paragraph. The emoluments of the remaining highest paid individual are as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Salaries, allowances and benefits-in-kind	薪金、津貼及實物利益	1,407	1,381
Performance and discretionary bonuses	按表現及酌情發放之花紅	1,195	575
Contributions to pension plan	退休計劃供款	52	51
		<u>2,654</u>	<u>2,007</u>

### 16 董事及高級管理人員酬金 (續)

#### (b) *五名最高薪酬人士*

五名最高薪酬人士當中，四名 (2006年：四名) 為本公司董事，彼等之酬金詳情已於上段披露。其餘最高薪人士之酬金載列如下：



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 17 PROPERTY, PLANT AND EQUIPMENT 17 物業、廠房及設備

Group 集團

		Other properties 其他 物業 HK\$'000 千港元	Leasehold improve- ments 租賃物業 裝修 HK\$'000 千港元	Furniture and fixtures and computer equipment 傢私、裝置及 電腦設備 HK\$'000 千港元	Plant and machinery 廠房 及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值							
At 1st April 2006	於2006年4月1日	59,159	59,759	35,544	16,254	4,422	5,097	180,235
Exchange adjustment	匯兌調整	1,712	316	564	1,386	280	526	4,784
Additions, at cost	添置·按成本值	–	19,490	4,755	2,406	256	1,356	28,263
Revaluation adjustment	重估調整	(3,692)	–	–	–	–	–	(3,692)
Transfer upon completion	完工轉撥	5,707	1,272	–	–	–	(6,979)	–
Transfer between categories	分類間轉撥	–	(126)	126	–	–	–	–
Disposals	出售	(2,290)	(11,844)	(2,028)	(405)	–	–	(16,567)
At 31st March 2007	於2007年3月31日	60,596	68,867	38,961	19,641	4,958	–	193,023
Accumulated depreciation	累積折舊							
At 1st April 2006	於2006年4月1日	–	42,686	23,356	6,669	2,417	–	75,128
Exchange adjustment	匯兌調整	–	121	300	596	130	–	1,147
Charge for the year	本年度折舊	1,485	14,427	5,307	3,364	910	–	25,493
Transfer between categories	分類間轉撥	–	(93)	93	–	–	–	–
Disposals	出售	–	(10,074)	(1,462)	(339)	–	–	(11,875)
At 31st March 2007	於2007年3月31日	1,485	47,067	27,594	10,290	3,457	–	89,893
Net book value	賬面淨值							
At 31st March 2007	於2007年3月31日	59,111	21,800	11,367	9,351	1,501	–	103,130

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 17 PROPERTY, PLANT AND EQUIPMENT (Continued)

#### 17 物業、廠房及設備 (續)

*Group (Continued)* *集團 (續)*

		Other properties	Leasehold improvements	Furniture and fixtures and computer equipment	Plant and machinery	Motor vehicles	Construction in progress	Total
		其他物業	租賃物業裝修	傢私、裝置及電腦設備	廠房及機器	汽車	在建工程	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost or valuation	成本值或估值							
At 1st April 2005	於2005年4月1日	52,489	57,388	32,052	8,442	4,209	–	154,580
Exchange adjustment	匯兌調整	–	135	35	–	–	–	170
Additions, at cost	添置·按成本值	1,875	11,897	6,807	7,914	213	5,097	33,803
Revaluation adjustment	重估調整	5,015	–	–	–	–	–	5,015
Transfer between categories	分類間轉撥	–	–	9	(9)	–	–	–
Transfer to non-current asset held for sale	轉撥至持有供出售之非流動資產	(220)	–	–	–	–	–	(220)
Disposals	出售	–	(9,661)	(3,359)	(93)	–	–	(13,113)
At 31st March 2006	於2006年3月31日	59,159	59,759	35,544	16,254	4,422	5,097	180,235
Accumulated depreciation	累積折舊							
At 1st April 2005	於2005年4月1日	–	41,927	21,130	3,949	1,602	–	68,608
Exchange adjustment	匯兌調整	–	54	8	–	–	–	62
Charge for the year	本年度折舊	1,121	9,171	4,950	2,799	815	–	18,856
Revaluation adjustment	重估調整	(1,121)	–	–	–	–	–	(1,121)
Transfer between categories	分類間轉撥	–	–	1	(1)	–	–	–
Disposals	出售	–	(8,466)	(2,733)	(78)	–	–	(11,277)
At 31st March 2006	於2006年3月31日	–	42,686	23,356	6,669	2,417	–	75,128
Net book value	賬面淨值							
At 31st March 2006	於2006年3月31日	59,159	17,073	12,188	9,585	2,005	5,097	105,107

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 17 PROPERTY, PLANT AND EQUIPMENT (Continued)

#### Group (Continued)

The analysis of the cost or valuation of the above assets is as follows:

### 17 物業、廠房及設備 (續)

#### 集團 (續)

上述資產之成本或估值分析如下:

		Other properties 其他 物業	Leasehold improve- ments 租賃物業 裝修	Furniture and fixtures and computer equipment 傢私、裝置及 電腦設備	Plant and machinery 廠房 及機器	Motor vehicles 汽車	Construction in progress 在建工程	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>At 31st March 2007</b>	<b>於2007年3月31日</b>							
At cost	成本值	-	68,867	38,961	19,641	4,958	-	132,427
At professional valuation - 2007	專業估值 - 2007年	59,111	-	-	-	-	-	59,111
		<u>59,111</u>	<u>68,867</u>	<u>38,961</u>	<u>19,641</u>	<u>4,958</u>	<u>-</u>	<u>191,538</u>
<b>At 31st March 2006</b>	<b>於2006年3月31日</b>							
At cost	成本值	-	59,759	35,544	16,254	4,422	5,097	121,076
At professional valuation - 2006	專業估值 - 2006年	59,159	-	-	-	-	-	59,159
		<u>59,159</u>	<u>59,759</u>	<u>35,544</u>	<u>16,254</u>	<u>4,422</u>	<u>5,097</u>	<u>180,235</u>

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 17 PROPERTY, PLANT AND EQUIPMENT (Continued)

#### Group (Continued)

Net book value of other properties are analysed as follows:

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
In Hong Kong, held on:	在香港按下列方式持有:		
– Leases of over 50 years	– 50年以上租約	360	2,760
– Leases of between 10 to 50 years	– 10至50年租約	310	530
		670	3,290
Outside Hong Kong, held on:	在香港以外地區按下列方式持有:		
– Leases of over 50 years	– 50年以上租約	498	505
– Leases of between 10 to 50 years	– 10至50年租約	57,943	55,364
		58,441	55,869
		59,111	59,159

Other properties were revalued on the basis of open market value at 31st March 2007 by Asset Appraisal Limited, an independent professional valuer.

The carrying amount of these revalued other properties would have been HK\$60,576,000 (2006: HK\$53,883,000) had they been stated at cost less accumulated depreciation and accumulated impairment losses.

### 17 物業、廠房及設備 (續)

#### 集團 (續)

其他物業之賬面淨值之分析如下:

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
In Hong Kong, held on:	在香港按下列方式持有:		
– Leases of over 50 years	– 50年以上租約	360	2,760
– Leases of between 10 to 50 years	– 10至50年租約	310	530
		670	3,290
Outside Hong Kong, held on:	在香港以外地區按下列方式持有:		
– Leases of over 50 years	– 50年以上租約	498	505
– Leases of between 10 to 50 years	– 10至50年租約	57,943	55,364
		58,441	55,869
		59,111	59,159

其他物業已於2007年3月31日由獨立專業估價師Asset Appraisal Limited按公開市值基準重估。

倘其他重估物業以成本值減累積折舊及累積減值虧損列賬，則其賬面值應為60,576,000港元 (2006年: 53,883,000港元)。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 18 LEASEHOLD LAND AND LAND USE RIGHTS

#### 18 租賃土地及土地使用權

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cost	成本值		
At 1st April	於4月1日	<b>14,026</b>	15,656
Transfer to non-current asset held for sale	轉撥至持有供出售之非流動資產	–	(1,630)
Disposal	出售	<b>(5,600)</b>	–
Exchange difference	匯兌差額	<b>657</b>	–
At 31st March	於3月31日	<b>9,083</b>	14,026
Accumulated amortisation	累積攤銷		
At 1st April	於4月1日	<b>1,191</b>	1,347
Amortisation for the year	年內攤銷	<b>169</b>	182
Transfer to non-current asset held for sale	轉撥至持有供出售之非流動資產	–	(338)
Disposal	出售	<b>(500)</b>	–
Exchange difference	匯兌差額	<b>54</b>	–
At 31st March	於3月31日	<b>914</b>	1,191
Net book amount	賬面淨值		
At 31st March	於3月31日	<b>8,169</b>	12,835

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 18 LEASEHOLD LAND AND LAND USE RIGHTS (Continued)

The net book value of leasehold land and land use rights are analysed as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
In Hong Kong, held on:	在香港按下列方式持有：		
Leases of over 50 years	50年以上租約	978	6,094
Leases of between 10 to 50 years	10至50年租約	305	313
		<u>1,283</u>	<u>6,407</u>
Outside Hong Kong, held on:	在香港以外地區按下列方式持有：		
Leases of over 50 years	50年以上租約	791	804
Leases of between 10 to 50 years	10至50年租約	6,095	5,624
		<u>6,886</u>	<u>6,428</u>
		<u>8,169</u>	<u>12,835</u>

### 18 租賃土地及土地使用權 (續)

租賃土地及土地使用權之賬面淨值分析如下：

### 19 INVESTMENTS IN SUBSIDIARIES

Unlisted investments, at cost

非上市投資，按成本值

Particulars of the principal subsidiaries are set out in Note 32 to the financial statements.

### 19 附屬公司投資

	Company 公司	2007 HK\$'000 千港元	2006 HK\$'000 千港元
		<u>298,887</u>	<u>298,887</u>

主要附屬公司之詳情載於財務報表附註32。

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 20 INVENTORIES – GROUP

At 31st March 2007, inventories carried at net realisable value amounted to HK\$1,381,000 (2006: HK\$933,000).

### 21 AMOUNTS DUE FROM/TO SUBSIDIARIES – COMPANY

The balances are unsecured, interest-free and repayable on demand.

### 22 TRADE RECEIVABLES

The majority of the Group's sales are on cash basis. Credit sales are mainly for the Group's wholesale customers with terms of 0 to 90 days.

The ageing analysis of trade receivables is as follows:

0 – 30 days	0 – 30日
31 – 60 days	31 – 60日
61 – 90 days	61 – 90日
91 – 120 days	91 – 120日
Over 120 days	超過120日

The carrying amounts of trade receivables approximate their fair values.

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

HK\$	港元
RMB	人民幣
Other currencies	其他貨幣

### 20 存貨 – 集團

於2007年3月31日，按可變現淨值列賬之存貨為1,381,000港元（2006年：933,000港元）。

### 21 應收／應付附屬公司賬項 – 公司

該等餘額乃無抵押、免息及須應要求償還。

### 22 貿易應收賬項

本集團大部分銷售乃以現金進行。除售主要為本集團之批發客戶而設，信貸期為0至90日。

貿易應收賬項之賬齡分析如下：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
0 – 30 days	0 – 30日	17,951	11,885
31 – 60 days	31 – 60日	933	–
61 – 90 days	61 – 90日	55	–
91 – 120 days	91 – 120日	168	6
Over 120 days	超過120日	211	253
		<b>19,318</b>	12,144

貿易應收賬項之賬面值與其公平值相若。

本集團的貿易應收賬項的賬面值以下列貨幣為單位：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
HK\$	港元	10,826	10,480
RMB	人民幣	7,333	1,067
Other currencies	其他貨幣	1,159	597
		<b>19,318</b>	12,144

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 23 NON-CURRENT ASSET HELD FOR SALE

		Group 集團 HK\$'000 千港元
At 1st April 2005	於2005年4月1日	—
Transfer from property, plant and equipment and leasehold land and land use rights	轉撥自物業、廠房及設備以及租賃土地及土地使用權	1,512
Write-down to fair value (Note 9)	撇減至公平值 (附註9)	(662)
At 31st March 2006	於2006年3月31日	850
Disposal	出售	(850)
At 31st March 2007	於2007年3月31日	—

#### 24 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing analysis is as follows:

0 – 30 days	0-30日
31 – 60 days	31-60日
61 – 90 days	61-90日
91 – 120 days	91-120日
Over 120 days	超過120日

The carrying amounts of trade and other payables approximate their fair values.

#### 24 貿易及其他應付賬項

貿易及其他應付賬項內包括貿易應付賬項，其賬齡分析如下：

	Group 集團 2007 HK\$'000 千港元	2006 HK\$'000 千港元
0 – 30 days	80,352	50,000
31 – 60 days	33,702	29,486
61 – 90 days	5,591	8,066
91 – 120 days	3,360	4,186
Over 120 days	397	722
	<b>123,402</b>	<b>92,460</b>

貿易及其他應付賬項之賬面值與其公平值相若。



## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 24 TRADE AND OTHER PAYABLES (Continued)

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
HK\$	港元	164,244	127,159
RMB	人民幣	40,687	24,860
US\$	美元	20,481	8,055
Other currencies	其他貨幣	1,892	1,567
		<b>227,304</b>	<b>161,641</b>

### 24 貿易及其他應付賬項(續)

本集團的貿易及其他應付賬項的賬面值以下列貨幣為單位：

### 25 SHARE CAPITAL AND SHARE PREMIUM (a) Share capital

		2007		2006	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Authorised:	法定:				
Ordinary shares of HK\$0.1 each	每股面值0.1港元 之普通股	<b>800,000,000</b>	<b>80,000</b>	800,000,000	80,000
Issued and fully paid:	已發行及繳足:				
Ordinary shares of HK\$0.1 each	每股面值0.1港元 之普通股				
At 1st April	於4月1日	<b>487,943,850</b>	<b>48,794</b>	485,443,850	48,544
Exercise of share options	行使購股權	<b>4,564,000</b>	<b>456</b>	2,500,000	250
At 31st March	於3月31日	<b>492,507,850</b>	<b>49,250</b>	487,943,850	48,794

### 25 股本及股份溢價 (a) 股本

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 25 SHARE CAPITAL AND SHARE PREMIUM (Continued)

##### (b) Share premium

		HK\$'000
		千港元
At 1st April 2005	於2005年4月1日	57,189
Exercise of share options	行使購股權	600
At 31st March 2006	於2006年3月31日	57,789
Exercise of share options	行使購股權	1,095
At 31st March 2007	於2007年3月31日	58,884

The Company has a share option scheme under which the directors may, at their discretion, grant employees, including any executive directors, of the Company and/or any of its subsidiaries, options to subscribe for shares in the Company, subject to the terms and conditions stipulated in the share option scheme.

During the year, no such options were granted (2006: Nil).

Options to subscribe for 4,564,000 (2006: 2,500,000) ordinary shares in the Company were exercised at a price of HK\$0.34 (2006: HK\$0.34) per share during the year. The premium of HK\$1,095,000 (2006: HK\$600,000) on the issue of the new shares was credited to the share premium account.

At 31st March 2007, there were no share options outstanding. At 31st March 2006, there were 4,564,000 share options outstanding which are exercisable at HK\$0.34 per share at any time prior to 13th June 2010.

#### 25 股本及股份溢價 (續)

##### (b) 股份溢價

		HK\$'000
		千港元
At 1st April 2005	於2005年4月1日	57,189
Exercise of share options	行使購股權	600
At 31st March 2006	於2006年3月31日	57,789
Exercise of share options	行使購股權	1,095
At 31st March 2007	於2007年3月31日	58,884

本公司推行購股權計劃，據此，董事可根據購股權計劃所訂明條款及條件，酌情向本公司及／或其任何附屬公司之僱員（包括任何執行董事）授出購股權以認購本公司股份。

年內，概無授出有關購股權（2006年：無）。

年內，可認購4,564,000股（2006年：2,500,000股）本公司普通股之購股權按每股0.34港元（2006年：0.34港元）之價格獲行使。發行新股份之溢價1,095,000港元（2006年：600,000港元）已計入股份溢價賬。

於2007年3月31日，並無任何購股權尚未行使。於2006年3月31日，共有4,564,000份可於2010年6月13日前任何時間以每股0.34港元行使之購股權尚未獲行使。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 26 RESERVES (a) Group

#### 26 儲備 (a) 集團

		Capital reserve HK\$'000 千港元	Revaluation reserve HK\$'000 千港元	Exchange reserve HK\$'000 千港元	Retained earnings HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2006	於2006年4月1日	135,713	6,158	1,606	465,104	608,581
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	198,059	198,059
Exchange differences	匯兌差額	-	-	7,696	-	7,696
Deficit on revaluation of other properties	其他物業之重估虧絀	-	(3,423)	-	-	(3,423)
Transfer of revaluation reserve to retained earning upon disposal of a property	出售一項物業後將重估儲備 轉撥至保留盈利	-	(132)	-	132	-
2005/06 final dividend paid	已付2005/06年度末期股息	-	-	-	(34,475)	(34,475)
2006/07 interim dividend paid	已付2006/07年度中期股息	-	-	-	(34,476)	(34,476)
		<u>135,713</u>	<u>2,603</u>	<u>9,302</u>	<u>594,344</u>	<u>741,962</u>
At 31st March 2007	於2007年3月31日	135,713	2,603	9,302	594,344	741,962
Representing:	代表:					
Reserves	儲備	135,713	2,603	9,302	540,168	687,786
Proposed dividend	擬派股息	-	-	-	54,176	54,176
		<u>135,713</u>	<u>2,603</u>	<u>9,302</u>	<u>594,344</u>	<u>741,962</u>
At 31st March 2007	於2007年3月31日	135,713	2,603	9,302	594,344	741,962
As at 1st April 2005	於2005年4月1日	135,713	-	(269)	422,883	558,327
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	-	-	-	95,695	95,695
Exchange differences	匯兌差額	-	-	1,875	-	1,875
Surplus on revaluation of other properties	重估其他物業之盈餘	-	6,158	-	-	6,158
2004/05 final dividend paid	已付2004/05年度末期股息	-	-	-	(38,836)	(38,836)
2005/06 interim dividend paid	已付2005/06年度中期股息	-	-	-	(14,638)	(14,638)
		<u>135,713</u>	<u>6,158</u>	<u>1,606</u>	<u>465,104</u>	<u>608,581</u>
At 31st March 2006	於2006年3月31日	135,713	6,158	1,606	465,104	608,581
Representing:	代表:					
Reserves	儲備	135,713	6,158	1,606	430,948	574,425
Proposed dividend	擬派股息	-	-	-	34,156	34,156
		<u>135,713</u>	<u>6,158</u>	<u>1,606</u>	<u>465,104</u>	<u>608,581</u>
At 31st March 2006	於2006年3月31日	135,713	6,158	1,606	465,104	608,581

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 26 RESERVES (Continued)

##### (b) Company

#### 26 儲備 (續)

##### (b) 公司

		Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st April 2006	於2006年4月1日	298,687	67,888	366,575
Profit for the year	年度溢利	–	59,951	59,951
2005/06 final dividend paid	已付2005/06年中期股息	–	(34,475)	(34,475)
2006/07 interim dividend paid	已付2006/07年末期股息	–	(34,476)	(34,476)
		<u>298,687</u>	<u>58,888</u>	<u>357,575</u>
At 31st March 2007	於2007年3月31日			
Representing:	代表:			
Reserves	儲備	298,687	4,712	303,399
Proposed dividend	擬派股息	–	54,176	54,176
		<u>298,687</u>	<u>58,888</u>	<u>357,575</u>
At 31st March 2007	於2007年3月31日			
At 1st April 2005	於2005年4月1日	298,687	61,666	360,353
Profit for the year	年度溢利	–	59,696	59,696
2004/05 final dividend paid	已付2004/05年末期股息	–	(38,836)	(38,836)
2005/06 interim dividend paid	已付2005/06年中期股息	–	(14,638)	(14,638)
		<u>298,687</u>	<u>67,888</u>	<u>366,575</u>
At 31st March 2006	於2006年3月31日			
Representing:	代表:			
Reserves	儲備	298,687	33,732	332,419
Proposed dividend	擬派股息	–	34,156	34,156
		<u>298,687</u>	<u>67,888</u>	<u>366,575</u>
At 31st March 2006	於2006年3月31日			

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 26 RESERVES (Continued)

- (c) The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Luk Fook Investment (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired by the Company in 1997. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders, provided that the Company would, after the payment of dividends out of the contributed surplus, be able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, its issued share capital and its share premium. At the Group level, the contributed surplus is reclassified into its component of reserves of the underlying subsidiaries.

### 26 儲備 (續)

- (c) 本公司之實繳盈餘指本公司為交換 Luk Fook Investment (B.V.I.) Limited 全部已發行普通股而發行股份之面值，與於1997年本公司所收購有關附屬公司之資產淨值兩者之差額。根據百慕達1981年公司法（經修訂），實繳盈餘可派發予各股東，惟本公司從實繳盈餘派付股息後，必須能於負債到期時清償債務或於作出宣派後，本公司之資產可變現值將不會少於其債務、其已發行股本及其股份溢價賬之總和。於本集團財務報表內，此實繳盈餘經重新分類為各有關附屬公司之儲備部分。

### 27 DEFERRED TAXATION

### 27 遞延稅項

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
At 1st April	於4月1日	5,634	4,435
Credited to the income statement (Note 11)	計入損益表 (附註11)	1,705	1,199
At 31st March	於3月31日	<b>7,339</b>	<b>5,634</b>

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 27 DEFERRED TAXATION (Continued)

Deferred taxation is provided in respect of:

	Tax depreciation allowances 稅務折舊撥備		Unrealised profit on closing inventories 期末存貨之未變現溢利		Total 總額	
	2007	2006	2007	2006	2007	2006
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st April Credited to the income statement	2,066	1,359	3,568	3,076	5,634	4,435
	202	707	1,503	492	1,705	1,199
At 31st March	<u>2,268</u>	<u>2,066</u>	<u>5,071</u>	<u>3,568</u>	<u>7,339</u>	<u>5,634</u>

Representing:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	7,468	6,257
Deferred tax liabilities	遞延稅項負債	(129)	(623)
		<u>7,339</u>	<u>5,634</u>

On 16th March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"). The new CIT Law changes the corporate income tax rate for domestic enterprises from 33% to 25% and foreign invested enterprises from the range between 5% and 24% to 25% with effect from 1st January 2008. The new CIT Law also provides for preferential tax rates, tax incentives for prescribed industries and activities, grandfathering provisions as well as determination of taxable profit. As at the date that these financial statements were approved for issue, detailed measures concerning these items have yet to be issued by the State Council. Consequently, the Group is not in a position to assess the impact, if any, on the carrying value of deferred tax assets and liabilities as at 31st March 2007. The Group will evaluate the impact as more detailed regulations are announced.

### 27 遞延稅項 (續)

遞延稅項之撥備乃關於：

	Tax depreciation allowances 稅務折舊撥備		Unrealised profit on closing inventories 期末存貨之未變現溢利		Total 總額	
	2007	2006	2007	2006	2007	2006
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st April Credited to the income statement	2,066	1,359	3,568	3,076	5,634	4,435
	202	707	1,503	492	1,705	1,199
At 31st March	<u>2,268</u>	<u>2,066</u>	<u>5,071</u>	<u>3,568</u>	<u>7,339</u>	<u>5,634</u>

代表：

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Deferred tax assets	7,468	6,257
Deferred tax liabilities	(129)	(623)
	<u>7,339</u>	<u>5,634</u>

於2007年3月16日，全國人民代表大會通過了《中華人民共和國企業所得稅法》（「新企業所得稅法」）。於2008年1月1日開始執行的新企業所得稅法將內資企業（外商投資企業）適用的企業所得稅稅率從目前執行的33%（5%至24%）調整為25%。新企業所得稅法亦規定了優惠稅率，對於特定產業及項目的稅收獎勵，免受新法規限制的原稅收條款以及應納稅所得額的確定。於本財務報表被批准刊出之日國務院尚未頒佈實施細則。因此，本集團尚無法合理估計新所得稅法實施對本集團於2007年3月31日之遞延所得稅資產和遞延所得稅負債的賬面值產生的影響。本集團將在上述具體規例頒佈後，再評價新所得稅法對本集團的影響。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 28 CONSOLIDATED CASH FLOW STATEMENT

Reconciliation of profit before taxation to net cash generated from operations:

#### 28 綜合現金流量表

除稅前溢利與營運產生之現金淨額之對賬如下：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Profit before taxation	除稅前溢利	234,688	112,420
Amortisation of leasehold land and land use rights	租賃土地及土地使用權攤銷	169	182
Depreciation of property, plant and equipment	物業、廠房及設備折舊	25,493	18,856
Loss on disposal of other property, plant and equipment	出售其他物業、廠房及設備之虧損	2,124	1,572
Interest income	利息收入	(2,438)	(835)
Interest expense	利息開支	179	1,309
Provision for permanent impairment of available-for-sale financial asset	可供出售金融資產永久減值撥備	-	1,042
Gain on disposal of a property	出售一項物業之收益	(10,610)	-
Deficit on revaluation of other properties	其他物業之重估虧絀	269	22
Write-down of non-current asset held for sale to fair value	撇減持有供出售之非流動資產至公平值	-	662
Operating profit before working capital changes	營運資金變動前之經營溢利	249,874	135,230
Increase in rental deposits	租金按金增加	(2,340)	(3,885)
Increase in inventories	存貨增加	(139,868)	(67,158)
Increase in trade and other receivables, deposits and prepayments	貿易及其他應收賬項、按金及預付賬項增加	(19,366)	(1,161)
Increase in trade and other payables	貿易及其他應付賬項增加	65,663	40,148
Net cash generated from operations	營運產生之現金淨額	153,963	103,174

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 29 BANK BALANCES AND CASH

#### 29 銀行結餘及現金

		Group 集團		Company 公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Denominated in:	計值貨幣:				
HK\$	港元	135,991	70,916	411	503
RMB	人民幣	25,604	32,423	–	–
Other currencies	其他貨幣	12,939	5,399	624	624
		<b>174,534</b>	<b>108,738</b>	<b>1,035</b>	<b>1,127</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The conversion of the RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

銀行存款按每日銀行浮動存款利率賺取利息。人民幣結餘兌換為外幣須受中國政府頒佈之外幣管制規則及法規之規限。

#### 30 COMMITMENTS - GROUP

##### (a) Capital commitments

#### 30 承擔－集團

##### (a) 資本承擔

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Contracted but not provided for Property, plant and equipment	已訂約但未作出撥備之物業、 廠房及設備	<b>7,257</b>	<b>8,580</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 30 COMMITMENTS - GROUP (Continued)

##### (b) Commitments under operating leases

At 31st March 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

Not later than one year	一年內
Later than one year and not later than five years	一年以上但不超過五年

The actual payments in respect of certain operating leases are calculated at the higher of the minimum commitments as noted above and the amounts determined based on a percentage of the sales of the related outlets.

#### 31 RELATED PARTY TRANSACTIONS

The Company is controlled by Luk Fook (Control) Limited ("Luk Fook Control"), a company incorporated in the British Virgin Islands, which directly owns 47.08% of the Company's shares. The remaining shares of the Company are widely held.

Mr. WONG Wai Sheung and his family were discretionary beneficiaries of the Wong's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited which was the beneficial owner of 35.26% of issued shares of Luk Fook Control. The remaining shares of Luk Fook Control are widely held.

#### 30 承擔 – 集團 (續)

##### (b) 經營租賃承擔

於2007年3月31日，本集團就土地及樓宇根據不可撤銷之經營租賃而於未來支付之最低租賃付款總額如下：

		Group 集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Not later than one year	一年內	94,071	87,315
Later than one year and not later than five years	一年以上但不超過五年	75,802	97,073
		<b>169,873</b>	<b>184,388</b>

若干經營租約實際付款乃按上文所述最低承擔與根據相關商舖銷售額某一百分比所釐定金額之較高者計算。

#### 31 有關連人士之交易

本公司之控股公司為六福(控股)有限公司(「六福控股」)，該公司於英屬維爾京群島註冊成立，直接擁有本公司47.08%股份。其餘股份分散持有。

黃偉常先生及其家屬為黃氏家族信託(「信託」)之全權受益人。該信託為桂記祥珠寶金行有限公司全部已發行股本之實益擁有人，桂記祥珠寶金行有限公司實益擁有六福控股35.26%股份。六福控股餘下股份分散持有。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 31 RELATED PARTY TRANSACTIONS (Continued)

Set out below are the significant related party transactions during the year in addition to the related party information shown elsewhere in the financial statements.

- (a) A subsidiary of the Company entered into a tenancy agreement with Mr. WONG Kwai Sang, Mr. WONG Wai Sheung's father, for the lease of a retail shop of the Group for a period of 1 year (2006: 1 year), expiring on 31st December 2007. During the year ended 31st March 2007, rental payable to Mr. WONG Kwai Sang amounted to HK\$1,860,000 (2006: HK\$1,800,000).
- (b) A subsidiary of the Company entered into a service contract ("Service Contract") with Miss YEUNG Po Ling, Pauline and Topone Investments Limited ("Topone") for a period of 1 year (2006: 1 year) expiring on 31st March 2007. Pursuant to the Service Contract, Topone agreed to make available Miss Yeung's exclusive services for the promotion of the products and services of the Group in consideration of an annual fee of HK\$403,000 (2006: HK\$395,000).

Both Mr. WONG Wai Sheung and Miss YEUNG Po Ling, Pauline are directors of the Company and have beneficial interests in the Company.

#### 31 有關連人士之交易 (續)

年內，除財務報表其他部分所載之關連人士資料外，重大有關連人士之交易載列如下：

- (a) 本公司一家附屬公司與黃偉常先生之父親黃桂生先生訂立租賃協議，將物業租予本集團作零售商舖用途，為期1年（2006年：1年），將於2007年12月31日屆滿。截至2007年3月31日止年度，應付黃桂生先生之租金為1,860,000港元（2006年：1,800,000港元）。
- (b) 本公司一家附屬公司與楊寶玲小姐及泰一投資有限公司（「泰一」）訂立服務合約（「服務合約」），為期1年（2006年：1年），於2007年3月31日屆滿。根據服務合約，泰一同意楊小姐向本集團提供獨家服務，以推廣本集團的產品及服務，代價為每年403,000港元（2006年：395,000港元）。

黃偉常先生及楊寶玲小姐均為本公司董事及於本公司擁有實益權益。

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 31 RELATED PARTY TRANSACTIONS

(Continued)

##### (c) Key management compensation

#### 31 有關連人士之交易 (續)

##### (c) 主要管理層酬金

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Directors' fees	董事袍金	933	921
Salaries, allowances and benefits-in-kind	薪金、津貼及實物利益	17,099	13,343
Performance and discretionary bonuses	按表現及酌情發放之花紅	6,073	2,875
Contributions to pension plan	退休計劃供款	300	319
Total payable and expensed in the financial statements	於財務報表中應付款項及開支總額	<u>24,405</u>	17,458
Benefit from exercise of share options	行使購股權之收益	<u>3,286</u>	3,650
		<u><b>27,691</b></u>	<u>21,108</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 32 PARTICULARS OF SUBSIDIARIES

At 31st March 2007, the Company had the following principal subsidiaries:

#### 32 附屬公司詳情

於2007年3月31日，本公司之主要附屬公司如下：

	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Percentage of attributable interest held by the Company 本公司所持應佔權益百分比		Principal activities 主要業務
			2007	2006	
Interests held directly: 直接持有權益：					
Luk Fook Investment (B.V.I.) Limited	BVI 英屬維爾京群島	HK\$2 2港元	100	100	Investment holding 投資控股
Interests held indirectly: 間接持有權益：					
China Gems Laboratory Limited 中華珠寶鑑定中心有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Authentication of gemstones 寶石鑑證
Great Cyber Investment Limited 浩維投資有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Property holding 持有物業
Ice Collection (International) Limited 冰姿(國際)有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Retailing of gold and jewellery products 珠寶金飾產品零售業務
Jewellworld.com Limited	BVI 英屬維爾京群島	HK\$8,000,000 8,000,000港元	51	51	Investment holding, and provision of software development and services relating to internet 投資控股、軟件開發及從事互聯網相關服務
Jewellworld.com Limited 珠寶世界(香港)有限公司	Hong Kong 香港	HK\$100 100港元	51	51	Investment holding, and provision of software development and services relating to internet 投資控股、軟件開發及從事互聯網相關服務

## NOTES TO THE FINANCIAL STATEMENTS

### 財務報表附註

#### 32 PARTICULARS OF SUBSIDIARIES (Continued)

#### 32 附屬公司詳情 (續)

	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Percentage of attributable interest held by the Company 本公司所持應佔權益百分比		Principal activities 主要業務
			2007	2006	
Interests held indirectly: (Continued) 間接持有權益: (續)					
Luk Fook Bullions Dealers Limited 六福金號有限公司	Hong Kong 香港	HK\$14,000,000 14,000,000港元	100	100	Gold bullion trading 黃金買賣
Luk Fook Holdings Company Limited 六福集團有限公司	Hong Kong 香港	HK\$2 2港元	100	100	Provision of management services to group companies and wholesale distribution of gold and jewellery products 提供管理服務予集團公司及批發分銷珠寶金飾產品
Luk Fook Jewellery & Goldsmith (HK) Co., Limited 六福珠寶金行(香港)有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Retailing of gold and jewellery products 珠寶金飾產品零售業務
Luk Fook Jewellery & Goldsmith (Macao) Company Limited 六福珠寶金行(澳門)有限公司	Macau 澳門	MOP 1,000,000 1,000,000澳門元	100	100	Retailing of gold and jewellery products in Macau 於澳門從事珠寶金飾產品零售業務
Luk Fook Jewellery & Goldsmith (Canada) Limited 六福珠寶金行(加拿大)有限公司	Canada 加拿大	CA\$100 100加拿大元	100	100	Retailing of gold and jewellery products in Canada 於加拿大從事珠寶金飾產品零售業務
Max Forum Development Limited 溢富發展有限公司	Hong Kong 香港	HK\$100 100港元	100	100	Property holding 持有物業

## NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

### 32 PARTICULARS OF SUBSIDIARIES (Continued)

### 32 附屬公司詳情 (續)

	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued share capital/ registered capital 已發行股本/ 註冊資本詳情	Percentage of attributable interest held by the Company 本公司所持應佔權益百分比		Principal activities 主要業務
			2007	2006	
Interests held indirectly: (Continued) 間接持有權益: (續)					
Maxigood Enterprises Limited 萬利佳企業有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	<b>93.3</b>	93.3	Manufacturing and wholesale distribution of jewellery products 製造及批發分銷珠寶產品
Success Era Investments Limited 旭穎投資有限公司	Hong Kong 香港	HK\$3,000,000 3,000,000港元	<b>51</b>	51	Sales of electroplated gold ornament 銷售電鍍黃金飾品
六福珠寶(深圳)有限公司 <sup>+</sup>	PRC 中國	HK\$15,000,000 15,000,000港元	<b>100</b>	100	Manufacturing, wholesale, retailing of gold and jewellery products and related consultancy services in the PRC 於中國從事製造、批發及零售黃金及珠寶產品及相關諮詢服務
廣州利盈首飾有限公司 <sup>+</sup>	PRC 中國	HK\$35,000,000 35,000,000港元	<b>100</b>	100	Property holding in the PRC 於中國持有物業

<sup>+</sup> The subsidiaries were established as wholly foreign-owned enterprises in the PRC.

<sup>+</sup> 該等附屬公司為於中國成立之全外資企業。

Unless otherwise stated, all the above companies operate principally in Hong Kong.

除另有列明外，上述所有公司均主要於香港經營業務。

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列之本公司附屬公司乃董事認為對本年度業績有重大影響或構成本集團資產淨值之主要部分。董事認為，提供其他附屬公司之詳情會令資料過於冗長。

# BUSINESS STRUCTURE

## 業務架構

### MANUFACTURE & WHOLESALE

Luk Fook Holdings Company Limited  
Luk Fook Bullions Dealers Limited  
Luk Fook Jewellery Manufacturing (Panyu) Company Limited  
Maxigood Enterprises Limited  
Success Era Investments Limited  
Luk Fook Corporate Gift (International) Limited  
Luk Fook Diamond Company Limited

### PRC BUSINESS

#### RETAIL

Luk Fook Jewellery & Goldsmith (HK) Co., Limited  
Luk Fook Jewellery & Goldsmith (Canada) Limited  
Luk Fook Jewellery & Goldsmith (Macao) Limited  
Luk Fook Jewellery & Goldsmith (USA) Company Limited  
Ice Collection (International) Limited

#### FINANCE

Luk Fook Finance Limited

#### AUTHENTICATION

China Gems Laboratory Limited

#### PORTAL BUSINESS

Jewellworld.com Limited

### 製造及批發

六福集團有限公司  
六福金號有限公司  
六福珠寶首飾(番禺)有限公司  
萬利佳企業有限公司  
旭穎投資有限公司  
六福企業禮品(國際)有限公司  
六福鑽石有限公司  
廣州利福鑽石首飾有限公司

### 中國業務

六福珠寶(深圳)有限公司  
廣州六福首飾有限公司  
萬利佳(廣州)首飾有限公司  
廣州利盈首飾有限公司

### 零售

六福珠寶金行(香港)有限公司  
六福珠寶金行(加拿大)有限公司  
六福珠寶金行(澳門)有限公司  
六福珠寶金行(美國)有限公司  
冰姿(國際)有限公司

### 財務

六福財務有限公司

### 鑑證

中華珠寶鑑定中心有限公司

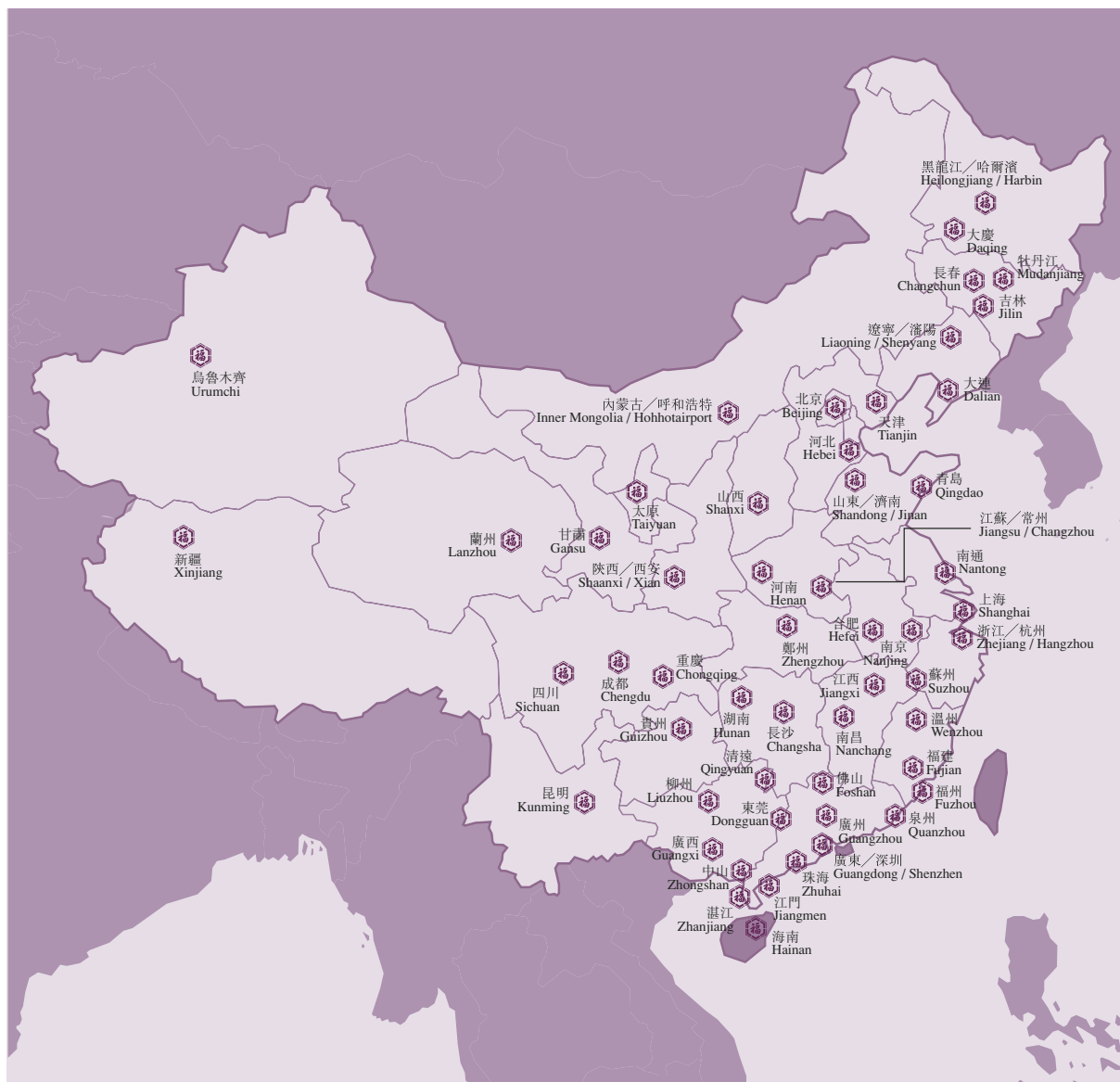
### 入門網站業務

珠寶世界(香港)有限公司  
致富略網域科技(深圳)有限公司

# DISTRIBUTION OF LUK FOOK LICENSEE SHOPS IN THE PRC

## 國內六福品牌商分佈

THE PRC 中國





# DISTRIBUTION OF THE GROUP'S RETAIL CHAIN

## 本集團之零售店分佈

### LUK FOOK JEWELLERY 六福珠寶 HONG KONG 香港

1. Shop No. 14-17, G/F, 281 King's Road, North Point, H.K.  
香港北角英皇道281號地下14-17號舖
2. G/F, Ming Yuen Centre, 400-404 King's Road, North Point, H.K.  
香港北角英皇道400-404號明苑中心地下
3. Shop C, G/F, 479 Hennessy Road, Causeway Bay, H.K.  
香港銅鑼灣軒尼詩道479號地下C舖
4. Shop B & C, G/F, Radio City, 505 Hennessy Rd., Causeway Bay, H.K.  
香港銅鑼灣軒尼詩道505號電業城地下B及C舖
5. Shop A-B, G/F., Kin Tak Fung Comm. Bldg., 467-473 Hennessy Road, Causeway Bay, H.K.  
香港銅鑼灣軒尼詩道467-473號建德豐商業大廈地下A-B舖
6. Shop B, G/F., Manson House, 74-78 Nathan Road, T.S.T., Kln.  
九龍尖沙咀彌敦道74-78號文遜大廈地下B舖
7. Shop G2, G/F, Hanford House, 221B-E Nathan Rd, Kln.  
九龍彌敦道221B-E號恒福商業大廈地下G2舖
8. G/F, 315 Nathan Rd., Kln.  
九龍彌敦道315號地下
9. G/F, 687-689 Nathan Road, Mongkok, Kln.  
九龍旺角彌敦道687-689號地下
10. G1-G2, G/F, Sun Hing Building, 603, 603A Nathan Road, Kln.  
九龍彌敦道603、603A號新興大廈G1-G2地下
11. Shop B, G/F, Rex House, 648 Nathan Road, Mongkok, Kln.  
九龍旺角彌敦道648號皇上皇大廈地下B舖
12. Shop G1-G2 and G13, G/F, Nathan Centre, 580G-K Nathan Road, Mongkok, Kln.  
九龍旺角彌敦道580G-K彌敦中心地下G1-G2及G13舖
13. Shop 5B, G/F., Good Hope Bldg., 612-618 Nathan Rd., Mongkok, Kln. (To be opened)  
九龍旺角彌敦道612-618號好望角大廈地下5B號舖 (即將開業)
14. A-C, G/F, 53 Fung Tak Road, Fung Wong New Village, Wong Tai Sin, Kln.  
九龍黃大仙鳳凰新村鳳德道53號A-C地下
15. G/F, 77-79 Mut Wah Street, Kwun Tong, Kln.  
九龍觀塘物華街77-79號地下
16. Shop F4, Telford Plaza, Phase 1, Kowloon Bay, Kln.  
九龍九龍灣德福廣場第1期F4舖
17. G/F, Shop 6, Emperor Plaza 1, 55 Chung On Street, Tsuen Wan, N.T.  
新界荃灣翠安街55號英皇娛樂廣場地下6號舖
18. G/F, 98 Chung On Street, Tsuen Wan, N.T.  
新界荃灣翠安街98號地下
19. Shop 46A, Level 3, Shatin Plaza, Shatin, N.T.  
新界沙田廣場三樓46A號舖
20. Shop no. 317, L3 New Town Plaza, 18 Sha Tin Centre Street, Shatin, N.T.  
新界沙田正街18號新城市廣場3樓317號舖
21. Shop 12, KCRC Shatin Station, N.T.  
新界沙田火車站12號舖
22. Shop 1141, L1, Tuen Mun Town Plaza, Tuen Mun, N.T.  
新界屯門屯門市廣場第1期1層1141號舖
23. Shop 48, L1, Tuen Mun Town Plaza II, 3 Tuen Lung Street, Tuen Mun, New Territories  
新界屯門屯隆街3號屯門市廣場第2期1樓48號舖
24. Shop No. 235-237, Level 2, No. 39 Lung Sum Avenue, Landmark North, Sheung Shui, N.T.  
新界上水龍琛路39號上水廣場2樓235-237號舖
25. G/F, 155 Castle Peak Road, Yuen Long, N.T.  
新界元朗青山公路155號地下
26. Shop 6W548, Hong Kong International Airport, Chek Lap Kok, N.T.  
新界赤鱗角香港國際機場6W548號舖

### MACAU 澳門

1. No. 325 Avenida Almeida Ribeiro, Macau  
澳門新馬路325號地下
2. Avenida Do Infante D. Henrique No. 12-18, Macau  
澳門約翰四世大馬路48號及殷皇子大馬路12至18號地下
3. The Grand Canal Shoppes, Shop No. 2018  
The Ventetian Macao-Resort-Hotel  
Estrada da Baia de N. Senhora da Esperanças, s/n,  
The Cotal Strip, Taipa, Macau (To be opened)  
澳門氹仔路迷金光大道望德聖母灣大馬路  
澳門威尼斯人一度假村一酒店  
大運河購物中心2018號舖 (即將開業)

### CANADA 加拿大

1. Unit 1010, Aberdeen Centre, 4151 Hazelbridge Way, Richmond, British Columbia, V6X 3L7, Canada  
加拿大卑詩省烈治文哈茲橋路4151號時代坊1010舖

### USA 美國

1. Suite 1205, Oakridge Mall, 925 Blossom Hill Road, San Jose, CA9512-1294, USA
2. Store A, 185 Canal Street, New York, NY10013, USA (To be opened)  
(即將開業)

### THE PRC 中國

1. Shop C8909, Departure Hall, 3/F., Main Terminal, Guangzhou Baiyun International Airport, Hua Du District, Guangzhou, Guangdong Province, the PRC  
中國廣東省廣州市花都區廣州白雲國際機場航站樓主樓三樓出發廳C8909號舖
2. 1/F, Phase 1, New World Shopping Mall, 3 Chong Wen Men Da Jie, Beijing, the PRC  
中國北京市崇文門大街3號北京新世界商場1期1層
3. Shop No. 119, Sun Dong An Shopping Mall, 138 Wang Fu Jing Street Dongcheng District, Beijing, the PRC  
中國北京市東城區王府井大街138號新東安廣場L1層119號店舖
4. 1/F, Xidan Shopping Mall, 120 Xidan North Street, Xichen District, Beijing, the PRC  
中國北京市西城區西單北大街120號西單商場一層
5. 2/F., Lanzhou New World Jiang Mei Department Store, 89 Zhang Ye Road, Chengguan District, Lanzhou City, Gansu Province, the PRC  
中國甘肅省蘭州市城關區張掖路89號蘭州新世界江美百貨2樓

### ICE g. HONG KONG 香港

1. Shop No. 267, Level 2, No. 39 Lung Sum Avenue, Landmark North, Sheung Shui, N.T.  
新界上水龍琛路39號上水廣場2樓267號舖



六福集團(國際)有限公司  
LUK FOOK HOLDINGS ( INTERNATIONAL ) LIMITED

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