



# LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

## 六福集團(國際)有限公司

(Incorporated in Bermuda with limited liability)

Website: [www.lukfook.com.hk](http://www.lukfook.com.hk) [www.irasia.com/listco/lukfook](http://www.irasia.com/listco/lukfook)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31ST MARCH 2003

#### RESULTS

The Board of Directors (the “Board”) of Luk Fook Holdings (International) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st March 2003 together with comparative figures for the previous year as follows:

	<i>Notes</i>	<b>2003</b> <i>HK\$'000</i>	<b>2002</b> <i>HK\$'000</i>
Turnover	2	<b>1,461,763</b>	1,478,806
Cost of sales		<b>(1,157,410)</b>	(1,162,660)
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Gross profit		<b>304,353</b>	316,146
Other revenues		<b>13,786</b>	12,489
Selling and distribution costs		<b>(227,331)</b>	(222,158)
Administrative expenses		<b>(27,786)</b>	(22,613)
Other operating expenses		<b>(5,477)</b>	(5,312)
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Operating profit	3	<b>57,545</b>	78,552
Finance costs		<b>(25)</b>	(24)
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Profit before taxation		<b>57,520</b>	78,528
Taxation	4	<b>(11,408)</b>	(13,901)
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Profit after taxation		<b>46,112</b>	64,627
Minority interests		<b>(329)</b>	(402)
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Profit attributable to shareholders		<b>45,783</b>	64,225
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Earnings per share	5		
Basic		<b>HK9.7 cents</b>	HK13.8 cents
Diluted		<b>HK9.5 cents</b>	HK13.5 cents
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Interim Dividend paid per share	<b>HK2.0 cents</b>	HK2.5 cents
Final Dividend proposed per share	<b>HK4.0 cents</b>	HK5.0 cents
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	<b>HK6.0 cents</b>	HK7.5 cents
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Notes:

### 1. Accounting policies

In the current year, the Group adopted the following Statements of Standard Accounting Practice (“SSAPs”) issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1st January 2002:

SSAP 1 (revised)	:	Presentation of financial statements
SSAP 11 (revised)	:	Foreign currency translation
SSAP 15 (revised)	:	Cash flow statements
SSAP 34	:	Employee benefits

The effect of adopting these new and revised standards is set out in the annual report.

### 2. 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 in Hong Kong. The Group also provides technical support and consultancy services to certain licensees, and quality control of jewellery products.

An analysis of the Group’s turnover and contribution to operating profit/(loss) for the year by business segment is as follows:

	Turnover		Operating profit/(loss)	
	2003 HK\$’000	2002 HK\$’000	2003 HK\$’000	2002 HK\$’000
Retailing	<b>1,379,737</b>	1,383,940	<b>77,880</b>	91,133
Wholesaling	<b>387,156</b>	363,602	<b>14,576</b>	12,196
Others	–	23	<b>(5,737)</b>	(4,848)
Inter-segment eliminations	<b>(305,130)</b>	(268,759)	<b>(2,679)</b>	(436)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,461,763</b>	1,478,806	<b>84,040</b>	98,045
	<hr/>	<hr/>	<hr/>	<hr/>
Unallocated interest income			<b>897</b>	2,044
Unallocated costs			<b>(27,392)</b>	(21,537)
			<hr/>	<hr/>
Operating profit			<b>57,545</b>	78,552
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No geographical analysis is presented as over 90% of the Group’s revenue, results and assets are derived from activities in Hong Kong during the two years ended 31st March 2002 and 2003.

### 3. Operating profit is stated after charging the following.

	2003 HK\$’000	2002 HK\$’000
Cost of inventories sold	<b>1,160,047</b>	1,159,746
Depreciation of fixed assets	<b>12,894</b>	15,409
Net loss on disposal of other investments	–	1,555
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#### 4. Taxation

The amount of taxation represents:

	2003 <i>HK\$'000</i>	2002 <i>HK\$'000</i>
Hong Kong profits tax	12,155	14,603
Over provision in prior years	(747)	(702)
	<u>11,408</u>	<u>13,901</u>

Hong Kong profits tax has been provided at the rate of 16% (2002: 16%) on the estimated assessable profit for the year.

#### 5. Earnings per share

The calculation of earnings per share is based on the Group's profit attributable to shareholders of HK\$45,783,000 (2002: HK\$64,225,000) and the weighted average number of 473,815,212 (2002: 466,661,716) ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the Group's profit attributable to shareholders of 45,783,000 (2002: HK\$64,225,000) and the weighted average number of 484,350,454 (2002: 475,495,555) 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.

### FINAL DIVIDEND

The Board resolved to recommend a final dividend of HK4 cents (2002: HK5 cents) per share for the financial year ended 31st March 2003. The final dividend, if approved, will be payable on 2nd September 2003 to shareholders whose names appear on the Register of Members of the Company on 27th August 2003.

### OPERATION REVIEW

#### Gold and Jewellery Operation

##### *Business Expansion*

At present, the Group has 22 retail outlets under the brand name of Luk Fook and 7 under the brand name of Ice g. in Hong Kong, Macau and Canada. During the year, the Group opened several outlets in Causeway Bay, the Peak Galleria, Diamond Hill and Sheung Shui. The Group has been actively expanding its overseas market and 3 outlets have been established in Macau and Toronto in the year under review.

##### *Innovative Designs*

During the year, the Group's designs gained applauses in various jewellery design competitions. Details are set out in the "Review of 2002/2003 Business Strategies" section.

To suit the needs of different customers, the Group has launched various new products into the market during the year under review, including:

- Gold ornaments with the theme of Year of the Ram. Traditional figures like "三羊啟泰", "招財進寶" and Cute figures like "獻寶金羊", "富貴財神金羊";
- Gold jewellery encrusted with pearl and jade especially designed for Mother's Day;

- “Love on Fire Collection” with the innovative design of “8 Hearts & 8 Arrows”, including the “Heart of Freedom” pendant for Christmas and 3 ring designs and 2 earrings designs for Valentine’s Day. Each “8 Hearts & 8 Arrows” diamond is produced using the “Super Ideal Cut” Technique, enabling a pattern comprising 8 arrows and 8 hearts to be shown on the surface and the bottom part of the diamond.
- The exclusive “HIRU” collection, meaning “the Sun” in Sinhala. “Padparadsha”, gemstones in pinkish orange color from the mines of Sri Lanka are used for the entire collection. Padparadsha gives a sparkling blaze like the Sun, and was thus given the name, HIRU. This new product was also given out as one of the first and second runners-up prizes in the Miss Hong Kong Pageant 2003.

#### *Promotional Activities*

- To enhance the corporate profile, the Group has participated in numerous promotional activities during the year. Details are set out in the “Review of 2002/2003 Business Strategies” section.

#### *PRC Market*

The Group provides technical support, product design and staff training services to over 80 jewellery retailers in the PRC and authorizes some of them to use its brand name, with an aim to raise the Group’s profile in the PRC and better prepare for the opening of the PRC jewellery market. In August 2002, the Group participated in the 1st Guangzhou (Panyu) International Jewellery Fair and was overwhelmingly received, underlining the huge potential of the PRC’s jewellery market.

With reference to a research report issued by the Hong Kong Trade Development Council in November, jewellery brands in Hong Kong are better recognized than mainland and international brands in the PRC. The Group also ranked among the first four Hong Kong jewellery brands in the major cities in the PRC.

To further expand the production scale, the Group acquired a piece of land with an area of 350,000 square feet in Panyu for the construction of a large-scale jewellery-refining factory. The construction of the new factory is expected to complete by next year, with a production capacity that are over 3 times of the existing one.

#### **Securities Operation**

Luk Fook Securities Limited terminated its cooperation with REXCAPITAL Securities Limited (formerly OSK Asia Securities Limited) on 28th February 2003 and has entered into a strategic alliance with UOB Kay Hian (Hong Kong) Limited, a renowned finance group in Hong Kong. The new alliance is dedicated to provide customers with securities brokerage services that are more stable, quality-assured and direct.

UOB Kay Hian (Hong Kong) Limited is an exchange participant of the Stock Exchange of Hong Kong Limited. Major services provided by the Company include, institutional customer services, personal customer services, corporate customer services and information research services.

#### **Portal Operation**

The Group’s registered jewellery portal “www.jewellworld.com” or “www.jw28.com” was established to provide an electronic gateway for the global jewellery industry. It serves as a business-to-business trading platform among jewellery manufacturers, wholesalers and retailers around the world, as well as an additional promotion channel for the Group. The Group believes that this trend of viewing samples and purchasing jewellery electronically guarantees huge business potential.

## **PROSPECTS**

### **Hong Kong Market**

The Hong Kong SAR Government recently implemented many measures to boost the tourism industry, with a special focus to attract Mainland visitors to Hong Kong. The Group intends to grasp the invaluable opportunity to enthusiastically develop its retail business. In addition, an increasing number of Mainland visitors came to shop in Hong Kong as a result of the gradual opening of the PRC market and the simplified procedures for applying to visit Hong Kong. All of the aforementioned factors, without mentioning the escalating reputation of the Luk Fook brand in the PRC, contribute to the development of the Group in the long run.

The Group will further promote the Ice g. collection and endeavor to build a brand recognizable to young consumers by offering inexpensive yet high quality jewellery products.

The Group made an announcement on 20 May 2003 regarding the adverse impact of the outbreak of SARS since March 2003 on the Group's operation, as well as the results for the financial year ended 31 March 2004. However, the Group exercised prudent management policy, aggressive operation strategy, and effective cost control measures, in order to minimize the impact and expected that the decrease of turnover will narrow down due to the increase in tourists travelling to Hong Kong.

### **PRC Market**

Signified by the abolishment of import tariffs on diamonds and the commencement of operation of the Shanghai Gold Exchange, the PRC jewellery market is readily opened after PRC's accession to the World Trade Organization. This has brought forth greater investment and development opportunities for jewelers in Hong Kong. As stated in the research report by the Hong Kong Trade Development Council, jewellery products possess enormous potential in the PRC retail market. With competitive advantages over foreign jewelers in terms of reputation, services and product quality, the Group believes that its business will expand rapidly in the PRC.

The Group is currently providing technical support and consultancy services to franchise jewelers in the PRC, with an aim to penetrate into the PRC market, thus paving way for future business development.

### **Macau Market**

With the simplified traveling procedures, Macau has become another famous tourist spot for mainland visitors. In view of this, the Group will actively promote its business in Macau with its two retail outlets there.

### **Overseas Market**

The Group opened its first overseas retail outlet in Toronto, successfully moving a step forward into the overseas market. In the future, the Group plans to open more retail outlets in Vancouver, New York, Las Vegas and the Southeast Asia, aiming to upgrade the Group to become an international brand.

## **INDUSTRY REVIEW**

During the year under review, Hong Kong's economic situation remained stagnant as reflected by the continual deflation and high unemployment rate. The outbreak of Severe Acute Respiratory Syndrome in mid-March has further hampered the local retail market with a weakened consumer sentiment and a reduction in the number of tourists coming to Hong Kong. Government statistics showed that retail sales of luxury goods such as jewellery dropped by 15.4% in September 2002 and 16.1% in March 2003 as compared with the same period last year. It is believed that the local jewellery retail market will experience a relatively long recovery period.

However, the State Council of the PRC has passed a policy regarding the relaxation of gold trade restrictions, including the tight control over enterprises on the manufacturing, processing and wholesaling of gold products; and the gold products retail approval system has been lifted. It is believed that this will pose a promising effect on the Group's development in the PRC.

## REVIEW OF 2002/2003 BUSINESS STRATEGIES

In the past year, the local retail market remained weak. Revenue generated from MAINLAND tourists could not offset the shrinking domestic consumption. However, with its prudent business strategies and aggressive development plans, the Group managed to minimize the negative impact.

### Innovative Designs

The Group's management is insightful and in touch with customer preferences towards jewellery products, while the Group's quality designers are committed to creative designs that are fashionable yet unique. During the year under review, world-class innovative jewellery collections were launched to the market and were well received. Some of which are ornaments and accessories specially designed for festivals like Christmas, Chinese New Year and Mother's Day.

To enhance corporate profile and to signify the uniqueness of the Group's products, it has entered into cooperation with the Hong Kong Productivity Council to jointly introduce the advanced "Laser Imprint System", engraving logo and the serial number of the certificate on diamonds. The Group has planned to purchase another "Laser Imprint System" that could engrave on gold products in the future, with an aim to add value to the services provided by the Group.

The Group's designs gained applauses in numerous local and overseas design competitions, including:

- "The 1st Greater China Trophy for International Jadeite Jewellery Design Competition"

#### *Finished Product Category*

- Premium Award – necklace "Leaves"
- Silver Award – head accessory "Great Pagoda"
- Bronco Award – bracelet "Maze"
- Bronco Award – necklace "Butterfly"
- Bronco Award – earrings "Together"
- Creative Idea Award – necklace "The Green Fairy"
- Creative Idea Award – necklace "Snowflakes"

#### *Drawing Category*

- Silver Award - "Break"
- "The 5th Buyers' Favorite Diamond Jewellery Design Competition"

Necklace Section:	Gold Award – “打開心靡”
Earrings Section:	Gold Award – “落葉”
Bracelet & Brooch Section:	Gold Award – “異度”
Bracelet & Brooch Section:	Silver Award – “Catching Life”
Creative Section:	Bronze Award – “襯衣”

- “The 4th Hong Kong Jewellery Design Competition”
  - Best of Show Award: “Halo”
  - Ring Category: Finalist – “Blossom”
- “Chuk Kam Jewellery Design Competition 2002”
  - Sets Category: “花火”, “溫柔”
  - Brooch/Pendant Category: “吸引力”
- “The 4th International South Sea Pearl Jewellery Design Competition”
  - Pendant Category: Bronze Award – “日與夜”

## Brand Building

Branding is undoubtedly an important aspect for the long-term development of the Group.

Given the consistent opening of the PRC market, the Group dedicates to promote its trade name of “Luk Fook Jewellery” in the Hong Kong and the PRC markets.

The Group sponsored various public activities during the year, including:

- The Louie Castro concert and the “Elva Live 2000” concert;
- Diamond Crown and some jewellery pieces for the winners of the 2002 Miss Hong Kong Pageant;
- Jewellery pieces from Luk Fook and Ice g. collection for TVB Pearl’s “Be My Valentine” contest;
- A gold and diamond plated tennis racket was awarded to the “Most Beloved Player” at the Salem Open 2002; and a number of jewellery pieces were given away to voters.

The Group also organized and participated in numerous promotional activities, including:

- A “六福珠寶閃亮11週年大獎賞” contest was held to celebrate the Group’s 11th anniversary. Prizes include a HK\$100,000 worth saloon, diamonds and traveling packages, amounting to HK\$20,000,000. Famous models were present at the award presentation ceremony wearing the winning jewellery pieces;
- Various large-scale road shows including:
  - “生活添‘飾’彩” at the Landmark North, Sheung Shui
  - “至愛媽咪靚靚首飾展” at the Cityplaza, Tai Koo Shing
  - “火熱‘愛火’迎夏日” at the Sun Chui Shopping Centre, Chai Wan
  - “Panyu International Jewellery Fair” at the Panyu Baiyue Exhibition Center
  - “Shenzhen International Jewellery Fair” at the China Hi-Tech Fair Exhibition Center (Shenzhen)
  - “香港國際珠寶鐘錶展覽會” at the Hong Kong Convention And Exhibition Center
  - “六福珠寶閃亮11週年之魅力秋飾展新姿” at the Tuen Mun Town Plaza
  - “六福聖誕愛火新感覺” at the New Town Plaza, Shatin

- The “Mega Hong Kong Sale” organized by the Hong Kong Tourism Board with an aim to boost the Hong Kong tourism industry;
- “The 10th Hong Kong International Jewellery Manufacturers’ Exhibition”, displaying the Group’s award-winning designs at “The 5th Buyers’ Favorite Diamond Jewellery Design Competition”;
- “Hong Kong International Jewellery Show 2003”, showing the Group’s award-winning designs at “The 4th Hong Kong Jewellery Design Competition” and “The 4th International South Sea Pearl Jewellery Design Competition”

### **Quality Assurance**

“China Gems Laboratory Limited”, the Group’s subsidiary, had tested and issued quality certificates for over 100,000 pieces of jade products. In recent years, the Group has introduced advanced machineries for the testing and issuance of certificates for diamonds and gemstone jewellery. The objective is to ensure that every piece of the Group’s products come with an identification certificate, which could raise the confidence of our customers towards the Group’s products and the market competitiveness.

During the year under review, it has applied to join the gemstone identification and recognition system, as proposed by the Gemological Association of Hong Kong and the Hong Kong Productivity Council to the Government. It is expected to raise the international recognition of the certificates issued by the center.

### **Customer Preferences**

Customer preferences always come first. The Group believes that only fashionable and customer-driven products could gain market recognition. To cater for the changing customer preferences, the Group has reviewed the proportion of its product mix between gold and gem-stone jewellery, from 70%:30% to 56%:44%.

### **Cost Control**

The rental costs represent an insignificant 3.5% of the Group’s turnover. The Group continues to obtain favorable rates from landlords this year. Negotiations with other landlords on rental issues are in active progress. Advertising and promotion expenditures represent approximately 1.3% of the turnover.

### **Securities Operation**

The Group believes that securities investments and jewellery trading are both inflation-proof assets that one can invest in. During the year under review, the drying up of securities turnover in financial markets caused considerable pressure to the Group’s securities business.

### **Portal Operation**

It is believed that jewelers around the world will use the jewellery portal more frequently to streamline their operation procedures. It undoubtedly represents significant business potential for the Group’s jewellery portal.

### **Liquidity and Financial Resources**

The Group’s core business is gold and jewellery retailing. As at 31st March 2003, the Group’s cash on hand reached approximately HK\$91 million (2002: HK\$136 million). The Group’s debt-to-equity ratio at the year-end, being the proportion of total debts of approximately HK\$98 million (2002: HK\$92 million) against total shareholders’ equity of approximately HK\$525 million (2002: HK\$511 million), was 18.7% (2002: 18.0%).

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 HK\$20 million, including the costs of furniture, fixture and equipment for several new jewellery retail shops and cost of the piece of land for the new factory in Panyu.

## **Contingent Liabilities**

The Group did not have any significant contingent liabilities at 31st March 2003 (2002: nil).

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

As at 31st March 2003, the number of staff of the Group in Hong Kong was approximately 636 (2002: 602). 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.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of members of the Company will be closed from 21st August 2003 to 27th August 2003 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 4:00p.m. on 20th August 2003.

## **COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES**

Throughout the year, the Company was in compliance with the Code of Best Practice as set out in the Listing Rules.

## **AUDIT COMMITTEE**

In compliance with paragraph 14 of the Code of Best Practice, 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.

On 22nd July 2002, an audit committee meeting was held to consider matters including the 2001/2002 annual report of the Company, internal controls and the implications of the new accounting standards to the Group's financial reporting in 2002/2003.

On 13th December 2002, an audit committee meeting was held to update on internal control matters and to review financial reporting with the directors in respect of the unaudited interim condensed consolidated accounts for the six months ended 30th September 2002. On 18th March 2003 and 25th March 2003, audit committee meetings were held to discuss an ad hoc report of high level assessment over the IT control environment of the Group. On 22nd July 2003 an audit committee meeting was held to consider the 2002/2003 annual report of the Company.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

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.

## APPRECIATION

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

By Order of the Board  
**Wong Wai Sheung**  
Chairman

Hong Kong, 23rd July 2003

*All information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published in the Stock Exchange's website as soon as possible.*

*The full text of the Company's announcement of annual results can be accessed through the Internet at: <http://www.irasia.com/listco/hk/lukfook>*

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## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at 19/F., Sino Centre, 582-592 Nathan Road, Kowloon on 27 August 2003 (Wednesday) at 11:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Accounts and the Reports of the Directors and Auditors for the year ended 31st March 2003.
2. To declare the final dividend for the year ended 31st March 2003.
3. To re-elect the retiring directors, to fix the remuneration of Directors and to authorise the Board 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;

(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

“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 recognised 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 recognised 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

(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:

“**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. As special business, to consider and, if thought fit, to pass the following resolution as a special resolution:

“**THAT** “六福集團（國際）有限公司” be and is hereby adopted as the Chinese name of the Company for the purpose of registration under Part XI of the Companies Ordinance (Cap. 32) of the Laws of Hong Kong.”

9. To transact any other business.

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

Hong Kong, 23rd July 2003

“Please also refer to the published version of this announcement in The Standard”