

LUK FOOK HOLD<00590> - Results Announcement

Luk Fook Holdings (International) Limited announced on 24/07/2006:

(stock code: 00590 )

Year end date: 31/03/2006

Currency: HKD

Auditors' Report: Unqualified

	(Audited ) Current Period from 01/04/2005 to 31/03/2006 Note ('000 )	(Audited ) Last Corresponding Period from 01/04/2004 to 31/03/2005 ('000 )
Turnover	: 2,126,297	1,961,720
Profit/(Loss) from Operations	: 113,729	152,530
Finance cost	: (1,309)	(425)
Share of Profit/(Loss) of Associates	: N/A	N/A
Share of Profit/(Loss) of Jointly Controlled Entities	: N/A	N/A
Profit/(Loss) after Tax & MI	: 95,695	125,795
% Change over Last Period	: -23.9 %	
EPS/(LPS)-Basic (in dollars)	: 0.197	0.261
-Diluted (in dollars)	: 0.195	0.258
Extraordinary (ETD) Gain/(Loss)	: N/A	N/A
Profit/(Loss) after ETD Items	: 95,695	125,795
Final Dividend per Share	: 7.0 cents	6.0 cents
(Specify if with other options)	: N/A	N/A
B/C Dates for Final Dividend	: 21/08/2006	to 24/08/2006 bdi.
Payable Date	: 15/09/2006	
B/C Dates for Annual General Meeting	: 21/08/2006	to 24/08/2006 bdi.
Other Distribution for Current Period	: N/A	
B/C Dates for Other Distribution	: N/A	

Remarks:

1. 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, available-for-sale financial assets, 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 Company's accounting policies.

#### The adoption of new/revised HKFRS

In 2005/06, the Group adopted the new/revised standards and interpretations of HKFRS below, which are relevant to its operations. The 2004/05 comparatives have been restated as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS Int 15	Operating Leases - Incentives
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The adoption of HKASs 1, 2, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 33, 36, 37, 38, HKAS-Int 15, HKFRS 3 and HKFRS 5 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of minority interest and other disclosures.
- HKASs 2, 7, 8, 10, 12, 14, 16, 18, 19, 23, 27, 33, 36, 37, 38, HKAS-Int 15, HKFRS 3 and HKFRS 5 had no material effect on the Group's policies.
- HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance in the revised standard.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

#### Adoption of HKAS 17

The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use

rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is immediately expensed in the income statement. In prior years, the leasehold land and land use rights were accounted for at valuation/cost less accumulated depreciation and accumulated impairment.

The adoption of HKAS 17 resulted in a decrease in opening reserves at 1st April 2004 by HK\$1,796,000.

	As at 31st March 2006 HK\$'000	As at 31st March 2005 HK\$'000
Decrease in property, plant and equipment	(12,835)	(14,309)
Increase in leasehold land and land use rights	12,835	14,309
Decrease in revaluation reserve	-	(6,956)
	=====	=====
	For the year ended 31st March 2006 HK\$'000	For the year ended 31st March 2005 HK\$'000
Decrease/(increase) in selling and distribution costs	333	(193)
Increase/(decrease) in basic earnings per share	HK 0.07 cents	HK (0.04) cents
Increase/(decrease) in diluted earnings per share	HK 0.07 cents	HK (0.04) cents

#### Adoption of HKAS 32 and HKAS 39

---

The adoption of HKAS 32 and HKAS 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit and loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities.

The adoption of HKAS 32 and HKAS 39 has no effect on opening reserves at 1st April 2005 and the details of the adjustments to the balance sheet at 31st March 2006 are as follows:

	As at 31st March 2006 HK\$'000	As at 31st March 2005 HK\$'000
Increase in available-for-sale financial asset	1,042	-
Decrease in other investment	(1,042)	-
	=====	=====

#### Adoption of HKAS 2

---

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payment. Until 31st December 2004, the provision of share options to employees did not result in a charge to the income statement. Effective 1st January 2005, the Group expenses the cost of share options in the income statement. As a transitional provision, the cost of share options granted after 7th November 2002 which had not yet vested on 1st January 2005, if any, was expensed retrospectively in the income statement of the respective periods. The adoption of HKFRS 2 has no impact on the Group's profit and loss and opening reserves.

All relevant changes in the accounting policies have been made in accordance with the transitional provisions of the respective standards, which require retrospective application to prior year comparatives other than:

- HKAS 39 - recognises all derivatives at fair value in the balance sheet on 1st April 2005 and adjusts the balance to retained earnings as at that date;
- HKAS-Int 15 - does not require recognition of incentives for leases commencing before 1st January 2005;
- HKFRS 3 - prospectively after the adoption date.

## 2. 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\$95,695,000 (2005 (Restated): HK\$125,795,000) and the weighted average number of 486,738,371 (2005: 482,591,036) 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\$95,695,000 (2005 (Restated): HK\$125,795,000) and the weighted average number of 490,458,067 (2005: 488,342,001) 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.