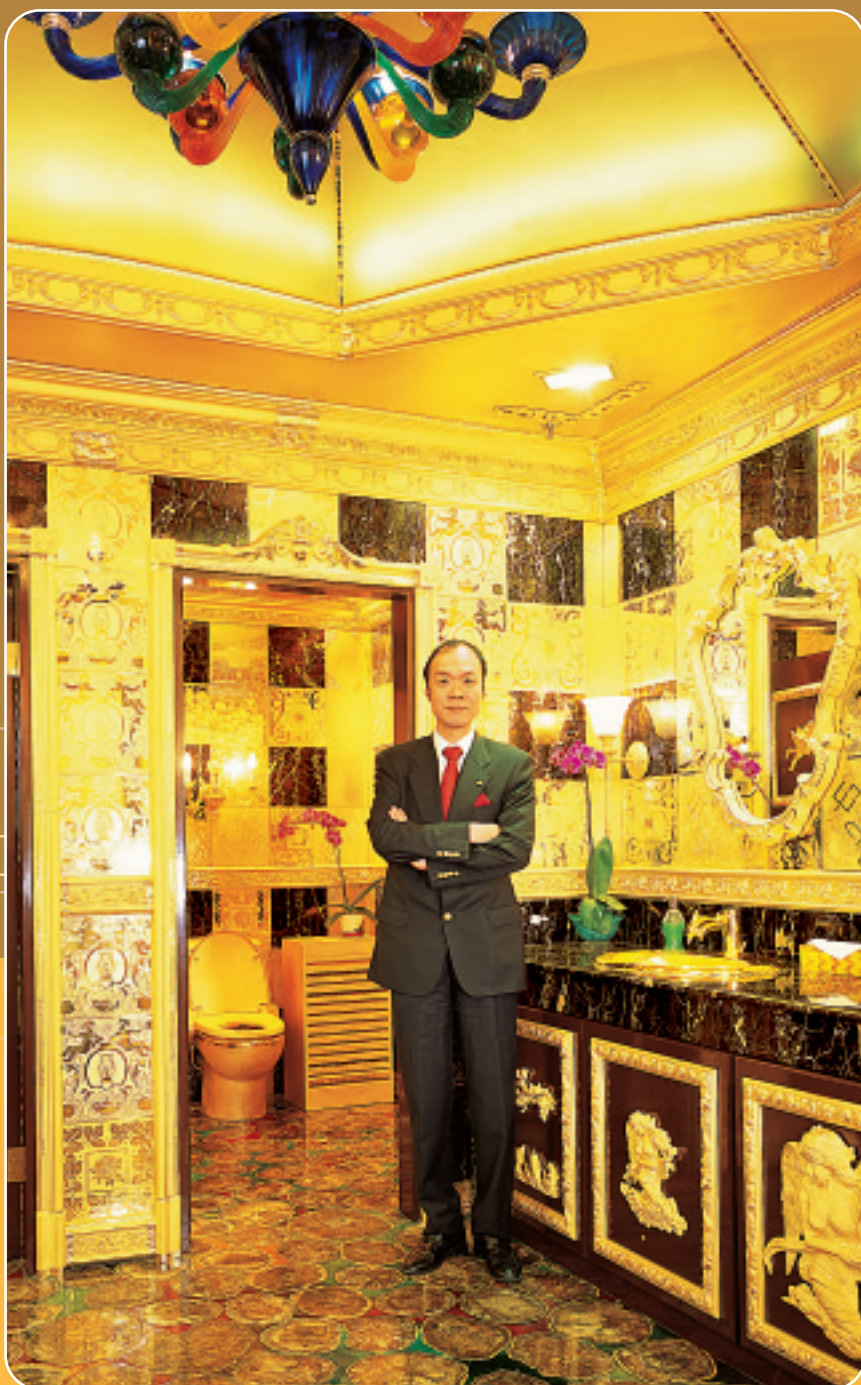


Chairman's Statement

主·席·報·告

Mr. Lam Sai Wing
林世榮先生
Chairman 主席



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To Shareholders

On behalf of the Board of Directors, I am pleased to present the annual report of Hang Fung Gold Technology Limited (the "Company"), its subsidiaries and associates (collectively the "Group" or "Hang Fung Gold Technology") for the year ended March 31, 2001.

It was a year in which we achieved stipulated goals and seized numerous opportunities via our business development and expansion plan which enabled us to accelerate the growth of the Group. The Group has been thriving, becoming a technological leader and fashion trendsetter in the industry. Hang Fung Gold Technology won much acclaim for its advanced technology and unique design, which has won the Group a number of awards.

During the year under review, the Group expanded its retail business with tourists by the establishment of the "3D-Gold Tourism Exhibition Hall". The Exhibition Hall not only explored new business opportunities and enlarged the revenue base for the Group, it also promoted Hong Kong's tourism industry.

In accordance with the Group's philosophy — Renovation and Technology, the Group is committed to providing tailor-made gold and precious metal products as to accommodate domestic and overseas customer requirements. The Group also cooperates with various institutions to launch corporate giftware, which helps to promote the Group's brands effectively, expand the revenue base and strengthen the Group's position in the industry.

With the steady economic recovery of the economy, and the imminent entry of China into the World Trade Organization ("WTO"), numerous new business opportunities will be generated for the entire jewellery

致各股東

本人謹代表董事會欣然提呈恒豐金業科技有限公司（「本公司」），其附屬公司及聯營公司（合稱「集團」或「恒豐金業科技」）截至二零零一年三月三十一日止年度年報。

集團於二零零一年透過連串的業務拓展計劃，已達到訂定的發展目標及把握多個有利增長的商機。一直以來，集團致力成為業內帶領高科技與潮流之先驅，而恒豐金業科技先進的鑄製技術及獨特的產品設計更備受各界人士推崇，屢獲獎項。

於回顧期內，集團致力拓展零售業務，開設「金至尊旅遊展覽廳」。這不僅為集團開拓新的商機及增闢收入來源，更有助促進香港的旅遊業。

集團秉承創新與科技的信念，致力以高科技為客戶度身訂造黃金及貴金屬產品，以迎合、符合本地市場及海外客戶的需要。此外，集團更於年內與各大型機構合作推出企業禮品，有效地推廣集團品牌，擴大收入基礎及鞏固集團在業內的地位。

隨著經濟穩步復甦，加上中國快將加入世界貿易組織，這些有利的外來因素將為整個金銀珠寶首飾業帶來龐大的契機。有見及此，集團將投放資源

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industry. In view of this favourable environment, the Group will invest to develop new markets, further enhancing our market share and our popularity in the industry.

Results

Turnover for the year ended 31st March, 2001 amounted to approximately HK\$1,327,753,000 representing an increase of 38% over the corresponding period in 2000. Profit before taxation and before share of losses of associates and provision for doubtful receivables from an associate was HK\$75,780,000 (2000: HK\$87,271,000). The decrease in profit was due to (1) change of product mix of increase in proportion of sales of gold products of relatively lower profit margin; and (2) increase in administrative and general expenditure. Profit attributable to shareholders amounted to approximately HK\$52,164,000 (2000: HK\$99,703,000). The significant decrease in profit was due to share of losses of associates and provision for doubtful receivables from an associate of HK\$14,460,000 and a non-recurrent written back of excess provision for Hong Kong profits tax in last year of HK\$21,098,000 as against the tax provision of HK\$2,519,000 for the current year.

Dividends

The Directors do not recommend the payment of a final dividend for the year ended 31st March, 2001 (2000: Nil). No interim dividend was paid for the year ended 31st March, 2001 (2000: Nil).

Business Review

Products

During the year under review, gold products remained the Group's core product. The sale of gold products accounted for approximately 76% of the Group's total turnover.

拓展新市場，進一步增加恒豐金業科技的市場佔有率及知名度。

業績

截至二零零一年三月三十一日止年度之營業額約為1,327,753,000港元，較二零零零年同期上升約38%。除稅前且未計應佔聯營公司虧損及應收聯營公司之呆賬撥備之溢利為75,780,000港元（二零零零年：87,271,000港元）。溢利下跌之原因為(1)產品組合有所改變，利潤率較低之金飾產品銷售比重增加；及(2)行政及一般開支上升。股東應佔溢利約52,164,000港元（二零零零年：99,703,000港元）。溢利大幅下降，箇中原因為應佔聯營公司虧損及應收聯營公司之呆賬撥備達14,460,000港元，以及去年就香港利得稅之超額撥備作出為數21,098,000港元之撥回，相反本年度則需作出2,519,000港元之稅項撥備所致。

股息

董事不建議派發截至二零零一年三月三十一日止年度之末期股息（二零零一年：無）。截至二零零一年三月三十一日止年度，並無派付任何中期股息（二零零零年：無）。

業務回顧

產品

於回顧期內，黃金仍是集團的核心產品，黃金產品之銷售額佔集團本年度總營業額約76%。

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The Group is recognised as a technological leader and fashion trend-setter in the industry, capitalising on innovative technology and traditional craftsmanship to design and manufacture gold and silver jewellery, ornaments and giftware. During the year, the Group cooperated with various institutions to launch gold and silver jewellery products. The Group received a merchandising license from Television Broadcasts Limited and also cooperated with Asia Television Limited to design and distribute trendy gold and silver jewellery products related to the television programs. The Group distributed these products under its registered trademarks – “3D-Gold” and “La Milky Way” as to establish its own brands, and expand its client base and markets.

Production facilities and technological achievements

The Group is committed to using advanced technology in production processing and actively invests in research and development as to enhance product quality and productivity and to invent new production technology to meet increasing market demand and expectations.

We used advanced electroforming technologies to successfully manufacture the world's tallest one-piece electro-formed fine gold statue – the Goddess Kuan Yin and became the only manufacturer capable of producing one-piece electroformed product in such size. The statue weighs approximately 168kg and is 273cm high and is worth HK\$15 million. The Group has been applying for Guinness World Records for the statue.

3D-Gold Tourism Exhibition Hall

In view of our unique design and excellent product quality, the products of the Group are very popular among customers. As our previous showroom for business with tourists was

集團一直被業界譽為科技及潮流的領導者，並以揉合創新高科技及傳統手工藝應用於設計及生產金銀珠寶首飾、擺件及企業禮品見稱。於期內，集團與多家機構合作推出金銀飾物，如電視廣播有限公司達成特許經營協議及與亞洲電視有限公司合作，為配合不同電視劇集設計相關新穎別緻的金銀飾物，更以集團「金至尊」及「銀河明星」兩個註冊品牌經銷，有效地建立品牌，擴寬客戶層面及開拓市場。

生產設施及技術成就

集團多年來致力在生產程序中應用先進科技，製造品質優良的產品。為了提高產品質素及持續改善生產力，集團積極投資於科研項目，研究嶄新生產技術，以應付市場日益殷切之需求。

集團利用其高超的鑄金技術，成功鑄造全球一體過最高之純金電鑄觀音菩薩像，成為全球唯一可以製成整件如此體積的電鑄產品之製造商。整座觀音像約重168公斤，高273厘米，總價值約15,000,000港元，集團現正申請列入健力士世界紀錄大全。

「金至尊」旅遊展覽廳

集團的產品設計獨特，品質優良，深受本地及海外遊客歡迎。由於原有的陳列室常被擠得水洩不通，故本集團

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always over-crowded, the Group has relocated to expand the showroom by opening of the 3D-Gold Tourism Exhibition Hall to meet the ever-increasing business generated from tourists. The 3D-Gold Tourism Exhibition Hall is located at Ground Floor, 28 Man Lok Street, Hunghom, Kowloon and occupies a gross floor area of approximately 20,000 square feet. To improve the negative impression of tourists on Hong Kong's public toilets, the Group built the "Gold and Jewellery Environmental Friendly Washroom" in the Exhibition Hall with the aim to establish a new washroom culture and promote the concept of environmental protection. The Exhibition Hall reinforces the Group's determination to manufacture gold and jewellery products with innovative technology. Besides the Gold and Jewellery Environmental Friendly Washroom, the Exhibition Hall displays various scenes such as the Fine Gold Kuan Yin Statue, the World's Largest Fresh Water Pearl, Super Star Wax Models and Chinese Twelve Zodiacal Statues of the Yuan Ming Yuan. Each scene has its special characteristic. Since its grand opening in January 2001, the 3D-Gold Tourism Exhibition Hall has attracted over 300,000 visitors substantially improving the Group's cash flow and liquidity. The Exhibition Hall not only provides cash revenues and enlarges the revenue base, it also promotes Hong Kong's tourism industry with the development of a new and innovative tourist destination.

Markets

During the period, the Group has committed to developing existing markets and the distribution network and potential markets. The Group has established an extensive distribution network around the world. Major markets include the United States of America, Europe, Mainland China, South East Asia and Hong Kong.

As a result of the economic recovery and the imminent entry of China into WTO, demand for the Group's products

開設「金至尊」以擴充陳列室以應付不斷上升之遊客需求。「金至尊」設於九龍紅磡民樂街28號地下，建築面積約佔二萬平方呎。訪港旅客對本港公共廁所的衛生情況略有微言，本集團希望透過鑄造一個金碧輝煌環保洗手間以改變遊客對公共廁所的印象，藉此推動世界性廁所革命及環保意識，並建立廁所文化。「金至尊」內除了展示金碧輝煌環保洗手間，更設有多個景點讓遊客觀賞，包括：純金電鑄觀音菩薩像、世界最大天然淡水珍珠、群星拱照蠟像館及圓明園十二生肖金首像，各具特色。自二零零一年一月開幕以來，「金至尊」已吸引了超過三十餘萬人次到訪，大大增加集團之現金收益，並改善流動資金狀況。管理層深信「金至尊」除了為集團提供可觀的現金收益、增闢收入來源，更有助促進香港的旅遊業，開拓新旅遊景點。

市場

於本年內，集團除了致力開拓現有之市場及分銷網絡外，更積極尋求具發展潛力之市場。集團在世界各地已建立廣泛的分銷網絡，主要市場包括美國、歐洲、中國大陸、東南亞及香港。

由於經濟正全面復甦，加上中國即將加入世貿，預期對集團產品之需求會

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is expected to continuously increase. Apart from our close cooperation with The Administration of Shatoujiao Free Trade Zone of Shenzhen, the Group actively seeks opportunities to cooperate with other institutions to develop the wholesale and retail business in China.

During the period under review, the Group successfully expanded the retail business, with the opening of “3D-Gold” and “La Milky Way” chain stores helping to boost substantially. The success of the Group is mainly due to (1) our flexible marketing strategies and staff efforts; (2) the prompt reaction of our visionary management to market changes; and (3) modification of our marketing direction to high-return value-added products. The Group's prospects are both optimistic and lucrative.

Awards

The Group devotes considerable efforts to developing advanced production technology, and is renowned for its innovative product designs. The Group receives much acclaim from industry players and has won awards and prizes in both international and local competitions.

The Group won the following awards during the year:

- Grand Competition of 2000 Hong Kong & Taiwan Jade Jewellery Design
Finished Product Section Silver Award
- Grand Competition of 2000 Hong Kong & Taiwan Jade Jewellery Design
Finished Product Section Creative Idea Award
- HKITCC Technological Achievement Award

繼續快速增長。除了與深圳沙頭角保稅區保持緊密的合作外，集團更積極尋求與其他機構合作，共同於國內發展批發及零售業務。

集團於回顧期內成功拓展零售業務，開設「金至尊」及「銀河明星」連鎖店，開拓新的商機及增闊收入來源。集團的成功，除有賴各員工的努力及靈活的市場策略外，集團高瞻遠矚的管理層迅速改變市場策略方針，積極開拓高回報增值產品市場，集團深信前景及發展非常樂觀。

獎項

集團致力研發先進的生產技術，更以嶄新的產品設計聞名中外，備受業內人士推崇，獲頒國際及本地比賽的多個榮譽及獎項。

於年內，集團榮獲以下大獎：

- 第二屆2000港台翡翠首飾設計大賽成品組銀牌獎
- 第二屆2000港台翡翠首飾設計大賽成品組創意獎
- 香港工業科技中心公司科技成就獎

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- CMA Machinery and Equipment Design Award
- Trade Development Council Export Marketing Award
- HKPC Certificate of Merit in Productivity
- The Third International South Sea Pearl Jewellery Design Competition
Bronze Award for the "Bracelet" category
- Hong Kong Jewelry Manufacturers' Association
The Buyers' Favorite Diamond Jewelry Design Competition 2000
Set-Award of Merit
- ISO 9001 Certificate awarded to a subsidiary
- International Gold Award for Excellence and Business Prestige

Acquisition of an associate

The Group has on 23rd August, 2000 acquired 49.9% of the issued share capital of New Epoch Information (BVI) Company Limited ("NEIL") by the issue of 1,632 million shares credited as fully paid at HK\$0.114 per share of the Company. Please refer to Report of the Directors on page 44 of this annual report.

Prospects

With favourable factors such as the economic recovery and China's imminent entry into WTO, the Group plans to expand the retail business in both China and Hong Kong. In view of this, management will modify marketing strategies according

- 廠商會機器及設備設計獎
- 貿易發展局出口市場推廣獎
- 香港生產力促進局生產力優異證書
- 第三屆國際南洋珠寶首飾設計比賽
手鐲組銅獎
- 香港珠寶製造業廠商會2000年最受買家歡迎鑽石首飾設計比賽
套裝組優異獎
- 其一附屬公司榮獲ISO9001證書
- 國際優質及商務榮譽金獎(翻譯本)

收購聯營公司

集團於二零零零年八月二十三日以每股0.114港元之價格發行1,632,000,000股本公司列賬為繳足股款之股份，以收購49.9% New Epoch Information (BVI) Company Limited (「NEIL」) 已發行股本。請參閱本年報第44頁之董事會報告。

展望

隨著經濟復甦及中國加入世貿等利好因素，集團計劃拓展中國及香港的零售業務。有見及此，管理層將就市場對金銀珠寶首飾的需求調節市場策

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to market demand. The Group will continue to cooperate with institutions to increase its market share. Moreover, the Group will open more retail chain stores in China and Hong Kong to sell Company's products, further promoting the Group's brands – "3D-Gold" and "La Milky Way". Furthermore, the Group has cooperated with the Hong Kong Jockey Club to launch the Champion Jockey's Collection. Since the market response was so positive, the Group produced a second batch of products to satisfy market needs. The management believes that gold and silver giftwares have great market potential. The Group will adopt a more cost-effective production mode, in compliance with effective marketing strategies, to expand the sales network and strengthen the Group's retail business.

The Group will continue to cooperate with reputable institutions to produce giftware. Along with Beijing's hosting of the 2008 Olympics and imminent entry of PRC into the WTO, the Group foresees ample business opportunities. The Group is highly optimistic about the future development and prospects of the jewellery industry, which will bring substantial profits to the Group.

Appreciation

On behalf of the Board of Directors, I would like to express my appreciation to our business associates, customers and suppliers for their continuous support to the management and staff for their dedicated effort through the year.

On behalf of the Board
Lam Sai Wing
Chairman

Hong Kong, 14th July, 2001.

略，集團將繼續與各大企業合作，藉此增加市場佔有率。集團繼續積極開設「金至尊」及「銀河明星」連鎖店，售賣集團的產品，進一步推廣集團旗下的品牌。此外，集團更與香港賽馬會合作推出銀河明星『騎師奪標』珍藏系列，市場反應熱烈，加推第二批貨品滿足市場需求。管理層認為金銀禮品的市場潛力龐大，本集團將會採取更具成本效益的生產模式，以及配合有效的市場推廣策略，致力拓展銷售網絡，強化集團零售業務。

展望未來，集團將會繼續與各大型機構合作製造企業禮品，尤其北京成為二零零八年奧運舉辦城市及中國於年內加入世貿，均會為集團帶來無限商機。本集團對金銀珠寶首飾這行業之未來發展及前景非常樂觀，相信將為集團帶來可觀的溢利。

致謝

本人謹代表董事會對各業務夥伴、客戶及供應商之不斷支持及本集團管理層與各員工於年內所作出之貢獻，致以衷心感謝。

代表董事會
主席
林世榮

香港，二零零一年七月十四日。