

CHAIRMAN'S STATEMENT

主席報告書



“Chow Tai Fook experienced many ups and downs of the markets in the past. Every time we came out safe and unscathed, and grew stronger as we have always been well-prepared for the opportunities. We strongly believe our persistent innovative spirit will continue to steer us through turbulent times towards a brighter future.

回首往昔，周大福每次都能從市場跌宕起伏中安然度過，而且我們時刻準備就緒，把握當前機遇，每次逆境過後，我們的實力更勝從前。我們深信，憑藉集團堅持創新的精神，將繼續引領我們抵禦風雨，迎接更光明的前景。”

Dr. Cheng Kar-Shun, Henry 鄭家純博士

Chairman 主席

Dear Shareholders,

FY2020 was a volatile and challenging year. The Group had a fairly stable performance in 1HFY2020, while 2HFY2020 was overshadowed by macro uncertainties and the evolving situation on COVID-19, which took a toll on the already cautious consumer sentiment.

During FY2020, the Group's revenue decreased by 14.9% year-on-year to HK\$56,751 million. Core operating profit dropped 18.4%. Profit attributable to shareholders of the Company declined 36.6% to HK\$2,901 million, with earnings per share of HK\$0.29. The Board has proposed a final dividend of HK\$0.12 per share. Full year payout ratio approximated 82.7% in FY2020.

Outlook

Over the past nine decades, Chow Tai Fook have grown to become the market leader in the jewellery industry. We have experienced both good and bad times, and weathered through numerous economic cycles. Yet every time we were able to overcome the challenges due primarily to our persistent innovative spirit and the wholehearted support from our fellow colleagues over the years.

The retail landscape continues to evolve and our future success very much hinges on our ability to service multi-market segments and divergent customer needs. Geographically, we will continue to deepen our network, particularly in lower tier and county level cities in Mainland China. We will also explore additional opportunities in overseas markets that will drive future growth and market share gain for the Group.

We are also pleased that our "Smart+ 2020" three-year strategic framework initiated in FY2018 has made excellent progress, laying a solid foundation for enhancing our customer experience through a multi-brand strategy and a diversified retail experience. Today, Chow Tai Fook successfully operates numerous brands that serve multiple customer segments with tailored experiences. Our continual innovation has yielded initiatives such as cloud kiosks, D-ONE platforms and our latest online-to-offline ("O2O") sales channel "CloudSales 365", all of which are in place to deliver exciting experiences for our customers. In addition, we have also empowered our own people to promote and sell products via social networks.

各位股東：

2020財政年度是動盪艱難的一年。儘管於2020財政年度上半年，本集團取得相對穩定的表現，惟於2020財政年度下半年，在宏觀不明朗因素及2019冠狀病毒疫情的雙重打擊下，令本已趨向審慎的消費市場氣氛更雪上加霜。

於2020財政年度，本集團的營業額按年減少14.9%至56,751百萬港元。主要經營溢利下跌18.4%。本公司股東應佔溢利下降36.6%至2,901百萬港元，每股盈利為0.29港元。董事會建議派發末期股息每股0.12港元。2020財政年度派息率約為82.7%。

展望

周大福創立九十載，經歷多年蛻變成長，傲領珠寶業。多年來，我們在無數經濟周期起伏中幾經順逆，然而，憑藉我們堅持創新的精神，以及集團全人的忠誠支持，讓我們每次都能戰勝挑戰。

零售業務環境正不斷演變，未來經營成功與否，很大程度取決於我們能否服務不同市場的顧客、滿足他們各式各樣的需求。在地域分佈方面，我們將會繼續深化業務網絡，尤其注重在中國內地較次級城市及縣級城鎮的發展。我們亦會進一步探索海外市場機遇，以推動本集團的未來增長，擴大市場份額。

我們喜見於2018財政年度啟動的「Smart+ 2020」三年策略框架取得了良好的進展，為業務奠定了堅實的基礎，助我們透過多品牌策略和多樣化的零售方式，提升顧客體驗。時至今日，周大福成功藉著經營多個品牌，服務不同顧客群，為他們量身訂製個性化體驗。我們持續創新的能力，成就了雲櫃台、D-ONE平台的面世，以及近期推出的嶄新線上銷售平台「雲商365」，助我們開拓新銷售渠道。此外，我們更賦權員工可在社交網絡推銷產品，以上皆為締造非凡顧客體驗而設。

In the years ahead, more comprehensive strategies will be formulated and executed, to further our fruitful journey towards sustainability. We will introduce novel ideas and promote inquisitive minds that deliver customer-centric solutions, enhance the Group's value creation capability and help realise our vision to become the most trusted jewellery group in the world.

Our Vision is to Become the Most Trusted Jewellery Group in the World

As a visionary jewellery leader, we also have a clear mission to build a global jewellery ecosystem, by leveraging our agile business model that is unmatched in the industry. This inclusive jewellery ecosystem can service the needs and demands of modern-day consumers including, but not limited to, our franchisees, business partners, wholesalers, as well as our peers, offering them comprehensive omni-channel solutions such as products, services and know-how.

With this vision and mission in mind, we shall continually invest in our intellectual capital, products and technology and empower our people to be "Intrapreneurs" so that the service we deliver is exemplar. In times of turbulence, we need to stay vigilant and apply wise strategy and rigorous risk management measures in discerning the best course of action. I am confident that we can once again turn adversity into opportunity by embracing changes and being open to exploring new avenues of growth. We will definitely continue to stand as the market leader, epitomising our Centennial Commitment and generating sustainable returns to our shareholders.

In closing, I would like to express my heartfelt gratitude to my fellow Board members for their strategic guidance, our shareholders, business partners, customers and, not least, our staff for their salutary dedication and commitment. As always in Chow Tai Fook's culture, we will move as one and continue daring to innovate and contribute more.

Dr. Cheng Kar-Shun, Henry

Chairman

Hong Kong, 11 June 2020

展望未來，我們將會制訂、執行更全面的策略，延續滿載豐碩成果的旅程，以實現可持續業務發展與增長。我們將會推陳出新，鼓勵多方探索，務求制訂以客為本的方案，提升本集團創造價值的能力，以實現成為「全球最值得信賴的珠寶集團」的願景。

以成為全球最值得信賴的珠寶集團為願景

作為高瞻遠矚的珠寶業領袖，我們懷抱清晰使命，冀望能充分發揮集團於業內無出其右的靈活業務模式，建構全球珠寶業生態圈。此兼收並蓄的珠寶業生態圈將能滿足現今各大客戶之需求，包括但不限於我們的加盟商、業務夥伴、批發商，以至其他同業等，為他們提供產品、服務和專業顧問等完善的全渠道解決方案。

為要實現此願景與使命，我們將持續投資於智力資本、產品與技術，並賦權員工成為「內企業家」，使我們所提供的服務成為行業的典範。在風雨飄搖之際，我們研究最佳執行方案的同時，務必保持警惕，採取睿智策略，嚴守風險管理。本人有信心只要我們敢於變革，以開明態度探索嶄新增長渠道，定必能再次化危為機。我們必將繼續以領先者姿態立足市場，實踐百年承諾，為股東實現長期回報。

最後，本人衷心感謝董事會成員的策略性指導，也感謝我們的股東、業務夥伴和顧客的支持，以及全體同事緊守崗位、盡心工作。我們將繼續秉承周大福的企業文化，上下齊心，繼續勇於創新，不斷貢獻新猷。

主席

鄭家純博士

香港，2020年6月11日