

For Directors' Conference 2017

Best Practice Panel: "Engaging in Best Practice: Values, Leadership and Strategies"

13 September 2017

Kent's speech

The Age of Innovation and Empowerment

Chow Tai Fook Legacy:

- Well-established reputation from yesterday is a fortune, and is a driving force in moving forward
- With 88 years of history, **the legacy of Chow Tai Fook is rooted in innovation, craftsmanship and heritage.**

Innovating for Sustainability:

- Now, **Chow Tai Fook is on its journey of innovation and sustainable development.**
 - 1. Corporate Governance**
 - **Deploy innovative and visionary management, transparent governance, statistical analytics for more future opportunities**
 - **4Ts concept** – Traceable, Transparent, Truthful and Thoughtful guides the development of our CG practice
 - **Transformational and interactive management style** enables us to meet customers and employees' needs
 - **Investment in technology and smart devices**
 - **Smart Tray** to enhance sales efficiency and collect big data for customer behaviour analysis
 - **mHand** to carry out stock taking promptly and accurately
 - **Data Intelligence Space** to formulate and track our strategic moves
- Chow Tai Fook believes in empowerment. In recent years, we have been working hard to empower our customers, investors, colleagues and other stakeholders.
 - 2. Empowering customers:**
 - Use **smart technology** to uplift product quality and customer experience
 - Deploy **multi-brand strategy** (Hearts On Fire, Monologue, SOINLOVE)
 - Deploy **store differentiation** (upgrade some POS to luxury, elegant and trendy)

styles; roll out experiential stores)

- Further foster **O2O interactions** (omni-channel retailing as backed by our vertically integrated business model)
- Introduce the **revolutionary and traceable T MARK** by displaying to customers the complete life journey of a diamond from its source with advanced patented technology; a **breakthrough** in the jewellery industry

3. Empowering investors:

- Empower investors in similar ways by **making our business traceable, transparent, truthful and thoughtful** along **accountability, disclosure, integrity and leadership**, respectively
- We are committed to improving our CG practices (through visionary board, interactive IR, fair disclosure, accountable management and an effective internal control) to maintain a reliable foundation for all our business activities

4. Empowering employees:

- **Smart Talent app - give more discretion to our staff**
 - Enable supervisors to set sales targets via mobile app for frontline staff
 - Frontline staff can check if they meet the sales target anytime during the month; motivate them to sell products with high bonus earned
- **Smart Learning app - offer structured talent development program**
 - Facilitate greater flexibility and efficiency via mobile learning

5. Empowering community:

- Foster the economic development in localities, education, career development, innovation, preservation of traditional culture and craftsmanship (Ancient Chinese Gold Techniques" Research Project) and charity
- Support NGOs' efforts in projects caring for children, youth and elderly, education and medical treatment (Youth Outreach, UNICEF, etc)
- Support in money and in kind

- As said at the beginning, **our legacy drives us to innovate for sustainability**. And now we **work to achieve that by empowering everyone around us**.

- Thank you.