管理層之論述及分析

MANAGEMENT'S DISCUSSION AND ANALYSIS

經營業績

RESULTS OF OPERATIONS

營業額

Turnover

本集團本年度首六個月錄得之總營業額為港幣十七億六千萬元(二零零一年：港幣十七億四千萬元)，比對去年同期增長百分之一點一。

The Group recorded total turnover of HK$1.76 billion (2001: HK$1.74 billion) for the first six months of the year, an increase of 1.1 percent year-on-year.

縱使零售環境逆轉，但零售及分銷部門錄得之營業額仍增加百分之一點二至港幣十六億六千萬元(二零零一年：港幣十六億四千萬元)。涵蓋整個系統之可比較門市之銷售額下跌百分之二點五(二零零一年：負百分之一點六)，而可比較門市之毛利率僅下跌百分之零點七，這可充分反映管理層對維持毛利所作出之努力。本集團存貨可供銷售日數為三十二日(二零零一年：二十六日)，該日數符合本集團目標日數範圍之二十八至三十二日。

Despite the adverse retail environment, the Retail and Distribution Division recorded a turnover growth of 1.2 percent to HK$1.66 billion (2001: HK$1.64 billion). System-wide comparable store sales fell 2.5 percent (2001: -1.6 percent), while comparable store gross profit was down only 0.7 percent, which demonstrated Management's efforts in defending margins. The Group's inventory turnover on sales was 32 days (2001: 26 days), which fell within the Group's target range of 28 – 32 days.

下表顯示本集團以地區劃分之零售營業額：

The following table shows the Group's retail turnover by region:

(以百萬港元為單位)	(In HK$ millions)	截至六月三十日止六個月 Six months ended June 30 2002	2001	百分比轉變 Percentage change
中國大陸	Mainland China	**408**	374	**9.1**
香港	Hong Kong	**390**	382	**2.1**
台灣	Taiwan	**359**	405	**-11.4**
新加坡	Singapore	**177**	169	**4.7**
其他市場	Other Markets	**146**	104	**40.4**

中國大陸銷售額比對去年同期取得增長百分之九點一至港幣四億零八百萬元(二零零一年：港幣三億七千四百萬元)。銷售額未能達致管理層預期的水平，主要由於當地第二季消費減弱所致。於期間內，*Giordano Unisex* 新增四十二間門市，其中有八間為集團自營之門市。

Mainland China achieved a year-on-year sales improvement of 9.1 percent to HK$408 million (2001: HK$374 million). Sales were below Management's expectation primarily due to subdued domestic consumption in the second quarter. During the period, 42 *Giordano Unisex* outlets were added, of which eight are self-managed stores.

香港之零售銷售額錄得百分之二點一之增長至港幣三億九千萬元(二零零一年：港幣三億八千二百萬元)。自二月下旬起，本集團其中一間業績最好之門市—京華中心暫時關閉，以進行大規模之翻修工程。於期間內，*Bluestar Exchange* 之業績取得持續增長，亦是導致上述增長原因之一。

Hong Kong retail sales achieved a 2.1 percent improvement to HK$390 million (2001: HK$382 million). One of the Group's top-contributing stores, the Capitol Centre shop, was closed for major refurbishment since late February. *Bluestar Exchange*'s continued productivity improvements during the period also contributed to the above-mentioned growth.

台灣之零售銷售額下跌百分之十一點四至港幣三億五千九百萬元（二零零一年：港幣四億零五百萬元）。本年度上半年，當地之零售市場環境依然嚴峻。鑑於市場通縮及在消費者信心疲弱的環境下，故管理層一直集中於擴展毛利率。於本年度首六個月，毛利率錄得增長乃主要由於與去年相比今年較少調低產品價格所致。為配合整體門市重整計劃，於期間內七間 *Giordano Unisex* 及一間 *Giordano Ladies* 門市已關閉，預期本年度下半年，將重點擴充 *Bluestar Exchange*。

Taiwan retail sales fell 11.4 percent to HK$359 million (2001: HK$405 million). The retail market remained very difficult in the first half of the year. In view of the deflationary and weak consumer sentiment environment, Management had been focusing on expanding gross margins. Gross margin improvement was achieved in the first six months of the year mainly due to less frequent product mark-downs as compared to the year before. As part of the shop portfolio consolidation program, seven *Giordano Unisex* and one *Giordano Ladies* shops were closed during the period. Expansion in the second half will come primarily from *Bluestar Exchange*.

本集團於新加坡之銷售營業額上升百分之四點七，乃主要由於有多間新店開業所致（二零零二年六月：四十六間門市；二零零一年六月：三十六間門市）。於期間內，由於擴充樓面面積及租金上升，以致租金支出增加；而由於租金上漲，加上市場結構轉型，於本年度下半年若干店鋪將進行重整。

Retail sales in Singapore grew 4.7 percent, largely driven by new store openings (June 2002: 46 outlets; June 2001: 36 outlets). During the period, rental expenses increased on the back of floor space expansion and rental hikes. In view of rental inflation and changes in market structure, certain shops will be consolidated in the second half of the year.

「其他市場」之表現亦令人滿意。「其他市場」比對去年同期銷售增長百分之四十點四，該增長主要來自澳洲及印尼。在經過三年之營運後，有迹象顯示澳洲市場有好轉的情況。而印尼方面，本集團亦繼續保持其優質之品牌地位，而其產品亦廣被接納。

Performance in the “other markets” fared well. In particular, Australia and Indonesia contributed largely to the 40.4 percent “other markets” year-on-year sales growth. At the end of its third year of operations, signs were indicating a turning around in the Australian market. In Indonesia, the Group continued to enjoy its premium brand positioning and good product acceptance.

Giordano Unisex 及 *Giordano Junior* 錄得之零售及批發營業額為港幣十四億七千萬元，與去年之港幣十四億八千萬元之銷售水平相比，大致不變。然而，台灣之表現卻未能令人滿意，為整體於期間內淺薄增長之主因。*Giordano Junior* 將繼續擴展其市場，如中國大陸及韓國，這兩個市場已取得初步成績。

Giordano Unisex and *Giordano Junior* recorded a retail and wholesale turnover of HK$1.47 billion, virtually unchanged from last year’s level of HK$1.48 billion. The unsatisfactory performance in Taiwan was mainly behind the flat growth during the period. *Giordano Junior* will continue to roll-out in markets like Mainland China and Korea, where it has initial successes.

Giordano Ladies 之營業額增加百分之九點四至港幣七千萬元（二零零一年：港幣六千四百萬元），主要由於本集團在中國大陸大力拓展門市數目所致。此外，本集團抓緊時機成功地開展春季系列，再配合推行優質之客戶關係管理計劃，亦有助 *Giordano Ladies* 於二零零二年財政年度之上半年內之銷售額增長。

Turnover of *Giordano Ladies* increased 9.4 percent to HK$70 million (2001: HK$64 million), mainly due to store expansion in Mainland China. In addition, a timely and successful spring launch, coupled with a well-implemented customer relationship management program also contributed to sales improvement during the first half of fiscal year 2002.

繼香港之結構性增長及台灣與德國新增門市之帶動下，*Bluestar Exchange* 之營業額上升百分之三十一點九至港幣一億二千萬元（二零零一年：港幣九千一百萬元）。此外，本集團亦採取更有效的採購政策，藉以提供更具吸引力之零售價格，亦導致期間內理想之銷售額。

Boosted by organic growth in Hong Kong and new store additions in Taiwan and Germany, *Bluestar Exchange's* turnover improved by 31.9 percent to HK$120 million (2001: HK$91 million). Better sourcing which enabled attractive retail prices also resulted in better sales during the period.

儘管全球之成衣零售市場不景，然而製衣部門（包括分部間之銷售）仍然可取得百分之十二之增長至港幣三億九千二百萬元（二零零一年：港幣三億五千萬元）。本集團對外來客戶之總銷售額較去年同期高出百分之一（二零零二年：港幣一億零四百萬元；二零零一年：港幣一億零三百萬元），這主要源於銷售予日本及香港之客戶之銷售額上升所致。製衣部門於本集團之經營溢利為港幣三千九百萬元（二零零一年：港幣三千一百萬元），佔本集團之綜合經營溢利百分之十八點六（二零零一年：百分之十五點八）。

Despite the weak apparel retail market worldwide, turnover of the Manufacturing Division, including intra-group sales, managed to grow 12.0 percent to HK$392 million (2001: HK$350 million). Total sales to outsiders (2002: HK$104 million; 2001: HK$103 million) were 1.0 percent higher than the year before, primarily accounted for by the increase in sales to third party customers in Japan and Hong Kong. The Manufacturing Division contributed HK$39 million (2001: HK$31 million) to the Group's operating profit, representing 18.6 percent (2001: 15.8 percent) of the Group's consolidated operating profit.

毛利

由於本集團實施保障毛利率策略，因此本年度首六個月之毛利上升百分之八點二至港幣八億三千三百萬元（二零零一年：港幣七億七千萬元）；而於同一期間內，本集團之毛利率亦由二零零一年上半年之百分之四十四點二，增加至二零零二年之百分之四十七點三。

Margins

As a result of our gross margin protection strategy, gross profits for the first six months of the year improved 8.2 percent to HK$833 million (2001: HK$770 million). During the same period, gross margin increased from 44.2 percent in the first half of 2001 to 47.3 percent in 2002.

於中期期間內，除新市場外，其他市場之零售邊際利潤均告上升。而台灣於二零零二年沒有重複其二零零一年財政年度第二季之清貨減價行動，避免零售毛利重現偏低的情況。

During the interim period, all but the new markets achieved retail margin improvement. Low retail margins seen in Taiwan in the second quarter of fiscal year 2001 due to stock clearance activities were not repeated in 2002.

目前，由於本集團提供與別不同的產品種類，以及推行嚴謹控制以避免產品大幅減價，故此所有品牌之零售邊際利潤均錄得增長。

In the meantime, all brands also experienced retail margin enhancement mainly resulting from offering differentiated products, as well as discipline in avoiding heavy product markdowns.

製衣部門取得令人鼓舞的佳績，於期間內其毛利率上升三點五個百分點，出現此等佳績乃由於低物料成本、以及因布料及配襯品之採購地由香港轉移至中國大陸所致。

The Manufacturing Division registered an outstanding gross margin improvement of 3.5 percentage points during the period. This was achieved through lower raw material costs, and the transfer of fabric and accessories sourcing from Hong Kong to Mainland China.

經營開支

經營開支總額為港幣六億七千萬元（二零零一年：港幣六億四千二百萬元），較上一個期間上升百分之四點四。開支之上升，部分原因乃由於日本及德國產生之經營開支增加港幣一千九百萬元，而這兩個新市場由本年度開始首次全期呈報其市場之開支。倘不包括新市場在內，則經營開支僅輕微上升百分之一點四。於期間內，由於拓展新市場，以及在中國大陸、新加坡及印尼等黃金地段旺舖之租金上揚，故此租金費用增加百分之十點七。

Operating Expenses

Operating expenses totaled HK$670 million (2001: HK$642 million), an increase of 4.4 percent over the previous period. The increase in expenses resulted partly from the HK$19 million increase in operating expenses incurred in Japan and Germany. Operating expenses of the two new markets started their maiden full year reporting this year. If the new markets had been excluded, operating expenses would have increased marginally by 1.4 percent. During the period, occupancy charges increased by 10.7 percent, as a result of new market expansion and rental rate hikes in prime locations in Mainland China, Singapore, and Indonesia.

經營溢利及未計利息、稅項、折舊及攤銷費用之盈利(EBITDA)

儘管上述之經營開支有所上升，然而本年度首六個月之經營溢利仍然上升百分之七點一至港幣二億一千萬元（二零零一年：港幣一億九千六百萬元）。經營邊際利潤亦由二零零一年財政年度上半年之百分之十一點三，上升至二零零二年之百分之十一點九，而於同一期間，EBITDA之邊際利潤亦由百分之十六點六增加至百分之十七點七。

Operating Profit and Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

Operating profit surged 7.1 percent to HK$210 million (2001: HK$196 million) in the first six months of the year, despite increases in operating expenses mentioned above. Operating margin edged up from 11.3 percent in the first half of fiscal year 2001 to 11.9 percent in 2002. EBITDA margin also improved from 16.6 percent to 17.7 percent during the same period.

股東應佔溢利

於本年度之首六個月，股東應佔溢利為港幣一億九千四百萬元，較二零零一年上半年之港幣一億九千一百萬元高於百分之一點六。倘不包括源自日本及德國新市場之虧損，股東應佔溢利將比對去年同期增加百分之八點四。再加上，雖然印尼附屬公司及製衣部門成功取得理想表現，但由於少數股東權益因此而提高，致使不能為整體利潤作出相應增加。同時，於第二季末本集團於韓國聯營公司可佔之溢利增長放緩。日益白熱化之競爭，以及對於客戶不斷轉變之口味未能作出及時之應變，是導致增長緩慢的主要因素。於六月期間，由於受到世界盃賽事的影響，以致韓國店鋪購物之顧客人次大幅銳減，影響所及，亦拖累六月份之溢利表現。於本年度下半年，管理層致力改善產品，以迎合客戶的需求，同時為顧客提供與別不同的購物環境。

Profit Attributable to Shareholders

In the first six months of the year, profit attributable to shareholders amounted to HK$194 million, 1.6 percent higher than the HK$191 million achieved in the first half of 2001. If losses from the new markets of Japan and Germany were excluded, profit attributable to shareholders would have increased 8.4 percent year-on-year. In addition, higher minority interests, mainly due to better performances achieved by the Indonesia subsidiary and the Manufacturing Division, were behind the flat profit growth. Moreover, growth in share of profits of the associated company in Korea decelerated towards the end of the second quarter. Sluggish growth was largely due to stepped up competition and failure in responding timely to meet changing consumers' taste. In the month of June, shops in Korea also suffered from a dramatic decline in customer flow because of the World Cup soccer event, which dragged down the profitability in that month. In the second half, Management will work on adjusting products to better cater to customers' needs, and to offer a differentiated shopping environment.

現金流量

經營業務之現金流入淨額為港幣一億九千九百萬元(二零零一年:港幣二億四千一百萬元)。出現港幣四千二百萬元之跌幅主要由於存貨增加港幣二千八百萬元,對比二零零一年上半年存貨則減少港幣四千九百萬元。然而,存貨所致之現金減少部分由經營溢利(未計折舊)所增加之港幣一千九百萬元抵銷。

投資業務之現金流出淨額為港幣一千九百萬元(二零零一年:港幣二億三千六百萬元),較二零零一年同期少港幣二億一千七百萬元,而下跌主因由於去年度需要支付香港一間旗艦店之三十七年期租賃權益。

融資活動之現金流出淨額為港幣一億七千七百萬元,相比於二零零一年之現金流出淨額之港幣一億五千一百萬元。於期間內,本集團向股東派付股息港幣一億三千七百萬元,而二零零一年已支付之股息則為港幣一億五千七百萬元。於本年度首六個月,本集團清還短期銀行貸款人民幣三千五百萬元(約港幣三千三百萬元)。同時,本集團亦增加日圓四千二百萬元(約港幣三百萬元)之短期銀行貸款。

Cash Flow

Net cash inflow from operating activities was HK$199 million (2001: HK$241 million). The HK$42 million decrease was largely due to the HK$28 million increase in inventories, contrasted against a HK$49 million decrease registered in the first half of 2001. The increase in use of cash for inventories was partly offset by the HK$19 million increase in operating profit before depreciation.

Net cash outflow for investing activities amounted to HK$19 million (2001: HK$236 million), which was HK$217 million lower than that in the corresponding period in 2001. The decline was primarily attributable to the premium payment for securing a 37-year leasehold interest in a flagship store in Hong Kong in the previous year.

Net cash outflow for financing activities amounted to HK$177 million, against a net cash outflow of HK$151 million in 2001. During the period, HK$137 million of dividends were paid to shareholders, compared to HK$157 million paid in 2001. In the first six months of the year, the Group paid off RMB35 million (approximately HK$33 million) in short term bank loan. In addition, the Group obtained a 42 million Japanese Yen (approximately HK$3 million) short term loan.

財務狀況

流動現金及資金來源

於二零零二年六月三十日,現金及銀行結餘為港幣五億九千八百萬元(二零零一年十二月三十一日:港幣五億七千九百萬元),而負債總額為港幣四億七千九百萬元(二零零一年十二月三十一日:港幣六億二千五百萬元)。於呈報期間末,根據股東權益港幣十七億九千萬元(二零零一年十二月三十一日:港幣十七億元)而計算之本集團資本負債率為零點三(二零零一年十二月三十一日:零點四)。

於二零零二年六月三十日,本集團之融資信貸額為港幣七億七千三百萬元(二零零一年十二月三十一日:港幣七億四千八百萬元),當中之港幣五千七百萬元循環貸款已提取,惟尚未償還。本集團亦有銀行擔保及已發出保證票據之或然負債港幣六千一百萬元(二零零一年十二月三十一日:港幣六千萬元),所有該等款項乃於日常業務運作中產生。

FINANCIAL CONDITION

Liquidity and Capital Resources

As at June 30, 2002, cash and bank balances amounted to HK$598 million (December 31, 2001: HK$579 million), and total liabilities were HK$479 million (December 31, 2001: HK$625 million). At the end of the reporting period, the Group's gearing ratio was 0.3 (December 31, 2001: 0.4), based on shareholders' equity of HK$1.79 billion (December 31, 2001: HK$1.70 billion).

As at June 30, 2002, the Group had financing facilities amounting to HK$773 million (December 31, 2001: HK$748 million), of which HK$57 million under revolving loan facility had been drawn and was outstanding. The Group also had contingent liabilities on bank guarantees and guarantee notes issued of HK$61 million (December 31, 2001: HK$60 million), which had all been incurred in the normal course of business.

展 望

縱使目前之零售環境不景氣，本集團對在本年度上半年錄得之毛利率增長感到欣慰。本集團將透過提供與別不同及高增值的產品，積極貫徹其保障毛利率策略。管理層堅信，在通縮環境加上消費者信心疲弱之情況下，提高毛利乃維持品牌權益及達致長遠溢利的其中一種良策。

於下半年度，管理層將集中推行以下政策：

1. 本集團於中國將透過更佳的採購的方法，藉以提高價格競爭力，從而提升其溢利；
2. 本集團於香港為籌備在第四季重開京華中心而作準備，預期該店將成為香港之第二家旗艦店；
3. 為改善台灣之營運，本集團將重點放重於基本設計、精簡產品組合及積極推行其微觀市場策略；及
4. 本集團將繼續拓展日本市場，並計劃於本年度下半年增設數家店鋪，與此同時亦重整其於德國之分銷網絡，在歐洲探索不同分銷渠道。

人 力 資 源

於二零零二年六月三十日，本集團約有八千六百名僱員。本集團除了向僱員提供優厚薪酬福利組合外，亦會按本集團之業績及個別僱員表現，向合資格僱員授予酌情花紅及購股權。

於截至二零零二年六月三十日止六個月內，本集團根據購股權計劃向合資格僱員授出購股權以認購二千五百五十五萬股股份，而於上述期間內，因行使先前授出之購股權而發行三百八十一萬六千股股份。

OUTLOOK

Amid a difficult retail environment, the Group is pleased with the gross margin improvement attained in the first half of the year. The Group will maintain its strategy of margin protection, mainly through offering differentiated and value-added products. Management upholds the belief that, under a deflationary environment which coupled with weak consumer sentiment, margin enhancement is one of the best ways to guard brand equity and to sustain long term profitability.

For the rest of the year, Management will focus on the following:

1. To enhance profitability in Mainland China, namely through better sourcing to enhance price competitiveness;
2. To prepare for the re-opening of the Capitol Centre shop in the fourth quarter, which will become our second flagship store in Hong Kong;
3. To turn around the Taiwan operation, mainly through refocusing on basic designs, streamlining product portfolio, and implementing our micro-marketing strategy more aggressively; and
4. To continue to explore the market in Japan and to open a few more stores in the second half of the year; and to restructure the distribution network in Germany and investigate a variety of distribution channels in Europe.

HUMAN RESOURCES

As of June 30, 2002, the Group had approximately 8,600 employees. Besides offering competitive remuneration packages to the employees, discretionary bonuses and share options may also be granted to the eligible employees based on the Group's and the individual's performance.

During the six months ended June 30, 2002, the Group granted to the eligible employees under the share option scheme options to subscribe for 25,550,000 shares. In the same period, 3,816,000 shares were issued upon the exercise of options previously granted.