

管理層之論述及分析

經營業績

營業額

本集團於本年度首六個月之總營業額為港幣十八億六千萬元(二零零三年：港幣十五億三千萬元)，比對去年同期上升百分之二十一點七。

於期間內，零售及分銷部門之營業額為港幣十七億四千萬元(二零零三年：港幣十四億五千萬元)，較去年同期大幅增長百分之十九點八。整體可比較門市之銷售額上升百分之十五點三，而可比較門市之毛利則較過往同期間增長百分之二十點五。本集團之存貨相對銷售之流轉比率為二十三天(二零零三年：二十天)。

下表顯示本集團按地區劃分之銷售及分銷營業額。所有主要市場，即中國大陸、香港、台灣及新加坡之營業額比對去年同期均錄得雙位數字之增長，主要是由於二零零三年第二季爆發嚴重急性呼吸系統綜合症(「非典型肺炎」)，以致比較基準偏低。

零售及分銷部門

(以港幣百萬元為單位)

中國大陸
香港
台灣
新加坡
其他市場及
分銷銷售額

合計

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS

Turnover

The Group's total turnover for the first six months of the year was HK\$1.86 billion (2003: HK\$1.53 billion), an increase of 21.7 percent year-on-year.

During the period, turnover of the Retail and Distribution Division amounted to HK\$1.74 billion (2003: HK\$1.45 billion), surging 19.8 percent year-on-year. Comparable store sales rose 15.3 percent, while comparable store gross profit grew 20.5 percent over the previous same period. The Group's inventory turnover on sales was 23 days (2003: 20 days).

The following table shows the Group's Retail and Distribution turnover by region. All key markets, namely Mainland China, Hong Kong, Taiwan and Singapore, registered double-digit year-on-year turnover growth due to low comparison bases resulted from the outbreak of the Severe Acute Respiratory Syndrome ("SARS") in the second quarter of 2003.

Retail and Distribution Division

		截至六月三十日止六個月		百分比轉變 Percentage change
		2004	2003	
	(In HK\$ millions)			
中國大陸	Mainland China	\$ 420	\$ 363	15.7%
香港	Hong Kong	384	316	21.5%
台灣	Taiwan	341	281	21.4%
新加坡	Singapore	195	155	25.8%
其他市場及 分銷銷售額	Other Markets & Distribution Sales	399	337	18.4%
合計	Total	\$1,739	\$1,452	19.8%

中國大陸之營業額比對去年同期增加百分之十五點七至港幣四億二千萬元(二零零三年：港幣三億六千三百萬元)。業內競爭依然激烈。本集團將繼續建立品牌形象，並致力在市場上突顯本集團品牌。本集團在上海之一萬八千平方呎旗艦店經過兩個月之翻新工程後，已於四月底重新開業，而旗艦店之表現亦符合管理層的預期。

Turnover in Mainland China increased 15.7 percent year-on-year to HK\$420 million (2003: HK\$363 million). Competition remained intense. The Group will continue building brand image and better distinguishing our brands in the marketplace. Our 18,000 square feet Shanghai flagship store re-opened in late April after two months of refurbishment. Performance of the flagship store is in line with Management's expectation.

香港之零售銷售額比對去年同期上升百分之二十一點五至港幣三億八千四百萬元(二零零三年：港幣三億一千六百萬元)。銷售額改善主要由於非典型肺炎疫情過後旅客回流以及放寬中國內地旅客個人遊計劃，令消費意欲重燃。然而，就現階段而言，本集團因更多內地旅客到港旅遊而獲得之直接得益仍屬輕微。

台灣的零售銷售額為港幣三億四千一百萬元，比對過往同期間之港幣二億八千一百萬元增加百分之二十一點四。於二零零三年財政年度下半年之表現復蘇跡象得以持續。儘管消費意欲在三月底及四月初總統選舉後短暫受到衝擊，然而銷售動力迅即於五月恢復。

新加坡之零售銷售額由二零零三年上半年之港幣一億五千五百萬元增加至港幣一億九千五百萬元，比對去年同期上升百分之二十五點八。除了受二零零三年內因非典型肺炎疫情引致之低基準影響外，銷售額改善亦歸功於實施較佳之採購及存貨控制。

至於澳洲、馬來西亞、印尼、泰國及日本等地之銷售增長保持強勁。總銷售額比對過往同期間激增百分之三十五點九。

全線業務有所改善，主要有賴於非典型肺炎疫情過後營商環境復蘇所致。*Giordano*主系列及*Giordano Junior*之零售及批發營業額為港幣十五億一千萬元，較過往期間的港幣十二億九千萬元上升百分之十七點一。*Giordano Ladies*之營業額攀升百分之三十四點五至港幣七千四百萬元(二零零三年：港幣五千五百萬元)。*Bluestar Exchange*之營業額急升百分之四十點七至港幣一億五千二百萬元，而二零零三年則為港幣一億零八百萬元。

Retail sales in Hong Kong rose 21.5 percent year-on-year to HK\$384 million (2003: HK\$316 million). Sales improvement was largely helped by recovery of consumer sentiment with the return of tourists after the SARS outbreak and the relaxed individual travel scheme for the Mainland Chinese tourists. However, direct benefit from higher tourist arrival from the Mainland is still mild at this stage.

Taiwan's retail sales amounted to HK\$341 million, increased 21.4 percent from HK\$281 million recorded in the previous same period. Performance recovery seen in the second half of fiscal year 2003 was sustainable. Despite a brief disruption in consumer sentiment after the presidential election in late March and early April, sales momentum resumed quickly in May.

Retail sales in Singapore increased to HK\$195 million, from HK\$155 million in the first half of 2003, up 25.8 percent year-on-year. Besides the low-base effect due to SARS in 2003, sales improved on the back of better merchandizing and inventory control.

Sales growth in Australia, Malaysia, Indonesia, Thailand and Japan remained strong. Aggregate sales soared 35.9 percent year-on-year.

Business of all Lines improved mainly on the back of recovered business environment from the SARS outbreak. Retail and wholesale turnover of *Giordano* core line and *Giordano Junior* amounted to HK\$1.51 billion, up 17.1 percent from last period's HK\$1.29 billion. Turnover of *Giordano Ladies* escalated 34.5 percent to HK\$74 million (2003: HK\$55 million). *Bluestar Exchange's* turnover surged 40.7 percent to HK\$152 million, compared to HK\$108 million in 2003.

製衣部門

製衣部門之營業額(包括分部間之銷售)激增百分之三十四點六至港幣四億零五百萬元(二零零三年:港幣三億零一百萬元)。對外之銷售額為港幣一億一千九百萬元,較二零零三年錄得之港幣七千五百萬元上升百分之五十八點七。而對內之銷售額佔分部銷售額百分之七十點六(二零零三年:百分之七十五點一)。為求擴闊客戶基礎,本集團於本年度上半年成功爭取得多個美國及歐洲之新客戶。經擴闊之客戶基礎亦減低了對日本市場之依賴。製衣部門於本集團之經營溢利為港幣三千四百萬元(二零零三年:港幣二千六百萬元),佔本集團之綜合經營溢利百分之十四點五(二零零三年:百分之二十八點三)。

毛利率

於本年度上半年,本集團之毛利率為百分之五十,比對二零零三年同期之百分之四十六點五上升三點五個百分點。由於銷售額及毛利率有所增長,於本年度首六個月之毛利上升百分之三十點八至港幣九億二千九百萬元(二零零三年:港幣七億一千萬元)。

於期間內,零售及分銷部門之毛利率較去年同期改善四點五個百分點;而製衣部門之毛利率則較去年輕微增長零點七個百分點。零售及分銷部門之毛利率改善,反映市場對本集團持續進行之重新定位反應理想以及審慎存貨管理奏效。

經營開支

經營開支比對去年同期增加百分之十二點二至港幣七億三千八百萬元(二零零三年:港幣六億五千八百萬元)。經營開支之增加,主要由於擴充零售舖面面積及較高之營業額掛鉤租金以致租金及店員成本增加所致;此外,亦由於在二零零三年內實行之若干一次性削減成本措施並無於二零零四年再實行。

Manufacturing Division

Turnover of the Manufacturing Division, including intra-group sales, jumped 34.6 percent to HK\$405 million (2003: HK\$301 million). Sales to outsiders were HK\$119 million, up 58.7 percent from HK\$75 million recorded in 2003. Sales to Group companies constituted 70.6 percent of divisional sales (2003: 75.1 percent). In a bid to diversify its customer base, a number of new clients from the United States and Europe were secured in the first half of the year. The broadened customer base also reduces its reliance on the Japanese market. The Manufacturing Division contributed HK\$34 million (2003: HK\$26 million) to the Group's operating profit, representing 14.5 percent (2003: 28.3 percent) of the Group's consolidated operating profit.

Gross Margins

During the first half of the year, the Group achieved gross margin of 50.0 percent, up 3.5 percentage points compared to 46.5 percent in the same period in 2003. On the back of sales and gross margin advancement, gross profits for the first six months of the year rose 30.8 percent to HK\$929 million (2003: HK\$710 million).

During the period, gross margin of the Retail and Distribution Division improved 4.5 percentage points year-on-year; while that of the Manufacturing Division edged up slightly by 0.7 percentage point from last year's level. Improvement in Retail and Distribution Division's gross margin reflected a favorable response to the Group's continued repositioning efforts, as well as prudent inventory management.

Operating Expenses

Operating expenses increased 12.2 percent year-on-year to HK\$738 million (2003: HK\$658 million). Higher operating expenses were largely due to increase in rental and shop staff costs; mainly resulted from retail space expansion and higher turnover based rents. In addition, certain one-off cost-cutting measures in 2003 were not repeated in 2004.

經營溢利及未計利息、稅項、折舊及攤銷費用之盈利 (EBITDA)

由於銷售額回復舊觀及利潤率擴大，經營溢利增加百分之一百五十五點四至港幣二億三千五百萬元(二零零三年：港幣九千二百萬元)。二零零四年上半年之經營溢利較二零零三年的百分之六提高至百分之十二點六。同期EBITDA之利潤率由百分之十點七增長至百分之十五點九。

股東應佔溢利

股東應佔溢利為港幣一億七千一百萬元，較二零零三年同期呈報之港幣六千三百萬元增長百分之一百七十一點四。本集團可佔聯營公司之溢利比對去年同期銳減百分之五十七點九，反映韓國零售市場之復蘇情況並不穩定。然而，韓國市場已自六月底開始出現復蘇之初期徵象。管理層預期韓國市場將於二零零五年好轉。

實際稅率由二零零三年之百分之三十三回復至正常水平之百分之二十一點四，出現較低稅率之原因是由於較低利得稅率的地區對本集團溢利貢獻增加所致。二零零三年錄得之實際稅率較正常為高，原因是較低稅制之市場受到非典型肺炎疫情的嚴重影響，以致對本集團之貢獻相對較低。

現金流量

經營業務之現金流入淨額維持於去年之水平港幣一億四千八百萬元。雖然除稅前溢利比去年增加港幣一億三千四百萬元，但港幣一千七百萬元已用作維持較大量之存貨，比對去年同期，存貨額則減少港幣八千七百萬元。

投資業務之現金流出淨額為港幣四千三百萬元，較二零零三年同期增加港幣三千五百萬元。源自銀行之利息及自聯營公司收取之股息為港幣九百萬元。於期間內，資本開支佔投資業務所用現金之港幣五千三百萬元。

融資業務之現金流出淨額由二零零三年上半年之港幣二億二千萬元增加至港幣二億三千四百萬元，淨增加港幣一千四百萬元。在本年度上半年，本集團向股東派付股息為港幣二億三千八百萬元，而過往同期間則支付股息港幣二億零九百萬元。期內因發行股份而集得款項港幣一千五百萬元，而於二零零三年上半年則為港幣五十萬元。

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

Operating profit increased by 155.4 percent to HK\$235 million (2003: HK\$92 million) as sales recovered and margin expanded. Operating margin improved to 12.6 percent in the first half of 2004 from 6.0 percent in 2003. During the same period, EBITDA margin improved to 15.9 percent from 10.7 percent.

Profit Attributable to Shareholders

Profit attributable to shareholders amounted to HK\$171 million, growing 171.4 percent from HK\$63 million reported for the same period in 2003. Share of profits of associated companies fell sharply by 57.9 percent year-on-year, reflecting the unstable recovery of the Korea retail market. Early signs of improvements have been, however, emerging in Korea since late June. Management expects the Korean market to turnaround in 2005.

Effective tax rate normalized from 33.0 percent in 2003 to 21.4 percent due to increased profit contribution from markets with lower corporate tax rates. The higher than normal effective tax rate recorded in the first half of 2003 was due to proportionately lower contribution from markets with lower tax regimes; which were highly affected by SARS.

Cash Flows

Net cash inflow from operating activities remained at last year's level of HK\$148 million. Of the HK\$134 million increase in profit before tax, HK\$17 million was applied to finance higher levels of inventory, contrasted to HK\$87 million decrease in inventory in the same period last year.

Net cash outflow for investing activities was HK\$43 million, an increase of HK\$35 million over the same period in 2003. Interests received from banks and dividends received from associated companies amounted to HK\$9 million. Capital expenditure during the period accounted for HK\$53 million of the use of cash for investing activities.

Net cash outflow for financing activities increased to HK\$234 million, from HK\$220 million in the first half of 2003, a net increase of HK\$14 million. In the first half of the year, HK\$238 million of dividends were paid to shareholders, compared to HK\$209 million paid in the previous same period. During the period, proceeds from the issue of shares was HK\$15 million, contrasted to HK\$0.5 million in the first half of 2003.

財務狀況

流動現金及資金來源

於二零零四年六月三十日，現金及銀行結餘為港幣七億一千四百萬元（二零零三年十二月三十一日：港幣八億五千萬元），而總負債為港幣六億零四百萬元（二零零三年十二月三十一日：港幣六億八千五百萬元）。於呈報期間末，以股東權益港幣十七億五千萬元（二零零三年十二月三十一日：港幣十八億元）而計算之本集團資本負債率為百分之三點八（二零零三年十二月三十一日：百分之三點七）。

於二零零四年六月三十日，本集團之貿易融資及循環貸款額為港幣四億二千一百萬元，與二零零三年十二月三十一日相同，其中港幣六千六百萬元循環貸款已提取而尚未償還。本集團亦有銀行擔保及保證票據之或然負債為港幣五千一百萬元（二零零三年十二月三十一日：港幣四千三百萬元），所有該等款項乃於日常業務運作中產生。

人力資源

於二零零四年六月三十日，本集團約有八千四百名僱員（二零零三年十二月三十一日：七千九百名僱員）。本集團除了向僱員提供具競爭性薪酬福利組合外，亦會按本集團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。

於截至二零零四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四百六十萬股股份，而於期間內，本集團因先前授出之購股權被行使而發行五百零八萬二千股股份。

FINANCIAL CONDITION

Liquidity and Capital Resources

As at June 30, 2004, cash and bank balances amounted to HK\$714 million (December 31, 2003: HK\$850 million), and total liabilities were HK\$604 million (December 31, 2003: HK\$685 million). At the end of the reporting period, the Group's gearing was 3.8 percent (December 31, 2003: 3.7 percent) based on shareholders' equity of HK\$1.75 billion (December 31, 2003: HK\$1.80 billion).

As at June 30, 2004, the Group had trade finance and revolving loan facilities amounting to HK\$421 million, unchanged from December 31, 2003, of which HK\$66 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\$51 million (December 31, 2003: HK\$43 million), which had all been incurred in the normal course of business.

HUMAN RESOURCES

As of June 30, 2004, the Group had approximately 8,400 employees (December 31, 2003: 7,900 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, 2004, the Group granted to eligible employees under the share option scheme options to subscribe for 4,600,000 shares. In the same period, 5,082,000 shares were issued upon the exercise of options previously granted.

展望

所有主要市場已自非典型肺炎疫情所造成之困難營商環境完全復蘇過來。二零零三年同期則受到非典型肺炎疫情之嚴重影響，惟值得注意的是，二零零四年上半年之綜合營業額及毛利比對二零零二年同期分別上升百分之五點六及百分之十一點五。隨著宏觀經濟環境及消費意欲改善，管理層對本年度餘下期間之前景感到樂觀。

管理層相信，憑藉更嚴謹的採購模式及快速應變的存貨管理方式，台灣市場取得的改善將得以持續。在本年度餘下期間，管理層將專重新爭取台灣市場之佔有率。

韓國市場之表現自第二季度下旬已逐漸重上軌道。由其最近之復蘇趨勢可見，管理層預測業務將於二零零五年見好轉。

在日本關西地區開設店舖之計劃繼續進行，而表現亦與預期相符。在連續三年出現經營虧損後，管理層有信心業務將於二零零五年轉虧為盈。

現有店舖之翻新計劃正在進行。因此，本年度下半年之資本開支將維持於上升水平。

最後，本公司仍然會不斷努力，竭力藉著每季推出之高質素產品加深客戶對本集團品牌之認同，而不會跟隨業內慣常採納之割價傾銷策略。

OUTLOOK

All major markets have fully recovered from the difficult business environment brought about by the SARS epidemic. Comparable period in 2003 was severely affected by SARS. It is worth noting that consolidated turnover and gross profit in the first half of 2004 rose by 5.6 percent and 11.5 percent respectively, when compared against the same period in 2002. With an improved macro environment and consumer sentiment, Management is optimistic with the outlook for the rest of the year.

Management believes the improvement trend in Taiwan is sustainable with more disciplined merchandizing and more responsive inventory management. For the rest of the year, Management will focus on recapturing market share in Taiwan.

Performance is gradually picking up in Korea since the latter part of the second quarter. Judging from its recent recovery trend, Management projects major turnaround in business in 2005.

Store roll-out plan is continuing, in the Kansai area, in Japan. Performance is in-line with expectation. Management is confident that business will turn profitable in 2005, after three years of operating losses.

Refurbishment programs for the existing stores are carrying on. Hence, capital expenditure will remain at a progressive level in the second half of the year.

Last but not least, the Company continues relentlessly to impress customers with its higher quality products season after season, instead of adopting price-cutting strategy common in the industry.