

## Management Discussion and Analysis 管理層研討及分析

### Market Overview

The post-SARS recovery led by the Closer Economic Partnership Arrangement (CEPA) and the relaxation of travel restrictions on individual visitors to Hong Kong have been keys to the recovery in consumer confidence in the past 18 months. The rapid improvement in Hong Kong's property market has also made consumers feel wealthy again and helped to fuel the spending.

The Hong Kong retail industry is undoubtedly one of the biggest beneficiaries of this trend. Retail sales figures for 2004 stood at around HK\$191.6 billion, a year-on-year increase of around 10.8% over the same period in 2003.

2004 was somewhat of a bumper year for the tourism industry in Hong Kong, with Hong Kong Tourism Board (HKTB) statistics showing visitors arrival level of 21.8 million. This figure represents a healthy 40.4% increase over 2003. Arrivals from the crucial Mainland China market remained very buoyant, a total of 12.2 million tourists had crossed the border from the Mainland, a 44.6% increase over the previous year. Some 4.3 million or 34.8% of these visitors had taken advantage of the Individual Visit Scheme (the "IVS"). Tourists from other regions and countries also showed strong year-on-year increases during the year.

### Financial Review

#### Turnover and Sales Proceeds

Turnover of the Group grew to approximately HK\$1,608.7 million for the year ended 31st December, 2004 (the "Year"). This figure represents a 23.4% increase over approximately HK\$1,303.8 million recorded last year. In 2004, the Group generated net sales proceeds received and receivable worth approximately HK\$3,558.3 million as a result of goods sold as either "direct sales" or via concessionaire sales. Sales proceeds for the Year represent a 21.5% increase over the equivalent figure of approximately HK\$2,929.5 million achieved during the same period last year.

### 市場概況

在更緊密經貿關係安排(CEPA)及放寬個人訪港旅遊限制的帶動下，香港經濟自非典型肺炎過後持續復甦，成為過去十八個月消費者重拾消費信心之主要推動力。此外，香港物業市場好轉，勢頭強勁，亦令消費者感到市況再復興旺，因而刺激消費。

香港零售業無疑為乘此趨勢大獲裨益的行業之一。二零零四年之零售銷售數字維持於約191,600,000,000港元，較二零零三年同期增長約10.8%。

二零零四年可說是香港旅遊業之豐收期，香港旅遊發展局數據顯示，訪港旅客達21,800,000人次，較二零零三年飆升40.4%。來自中國內地龐大市場之訪港旅客人數仍不斷上升，年內共有約12,200,000名內地旅客入境，較去年躍升44.6%。該等旅客當中約4,300,000名或約34.8%乃透過個人遊計劃訪港。年內來自其他地區及國家之旅客人數亦較往年有顯著增長。

### 財務回顧

#### 營業額及銷售所得款

截至二零零四年十二月三十一日止年度（「本年度」），本集團營業額增長至約1,608,700,000港元，較去年錄得之約1,303,800,000港元增加23.4%。於二零零四年，本集團的直接銷售或透過特許專櫃銷售售出貨品所產生已收及應收銷售所得款淨額約達3,558,300,000港元。本年度之銷售所得款較去年同期相應數字約2,929,500,000港元增加21.5%。



### Gross Profit and Gross Margin

The Group's gross profit margin for the Year in terms of gross profit to turnover was 54.9% (2003: 53.3%). Gross profit rose to approximately HK\$882,511,000 for the Year, a 27.0% increase over the approximately HK\$694,996,000 recorded for the previous financial year. The improvement in gross margin was a result of increase in proportion of direct sales.

### EBITDA and Net Profit

During the year under review, the Group's EBITDA (i.e. earnings before interest, taxation, depreciation and amortization) reached approximately HK\$613,775,000, an increase of 29.2% over the approximately HK\$474,914,000 for year 2003. The Group's EBITDA margin, calculated based on turnover, for the Year was 38.2% compared to 36.4% of the previous year. The improvement in the EBITDA margin was a result of improved gross margin as well as the effect of economy of scale given the fact that distribution and general and administration costs are relatively fixed.

The Group's net profit for the Year was approximately HK\$441,298,000, an increase of 60.7% over the approximately HK\$274,647,000 recorded in the previous year. Net profit margin based on sales proceeds generated during the year also grew, rising from approximately 9.4% in the previous year to approximately 12.4%.

### 毛利及毛利率

本集團於本年度按營業額計算之毛利率為54.9% (二零零三年:53.3%)。本年度之毛利上升至約882,511,000港元,較上一個財政年度錄得約694,996,000港元增加27.0%。毛利的改善乃歸功於直接銷售比例之增加。

### EBITDA及純利

於回顧年度,本集團之EBITDA (即除利息、稅項、折舊及攤銷前盈利) 約為613,775,000港元,較二零零三年約474,914,000港元增加29.2%。於本年度,本集團按營業額計算之EBITDA比率為38.2%,而去年則為36.4%。EBITDA比率有所改善乃因毛利改善,加上在分銷及一般行政費用相對固定的情況下發揮規模經濟效益所致。

本集團於本年度之溢利淨額約為441,298,000港元,較去年錄得之約274,647,000港元上升60.7%。按於本年度所產生銷售所得款計算之溢利淨比率亦錄得增長,由去年約9.4%增至約12.4%。

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### Finance Costs

Finance costs of HK\$11.4 million comprised mainly of interest expenses and finance charges on bank loans. The significant decrease in finance costs was mainly attributable to the relatively low interest rate associated with the bank loans which replaced the loans from fellow subsidiaries during the Year and the reduction of shareholders' loans of approximately HK\$885.4 million following capitalization of such shareholders' loans before the Company's listing in April 2004.

### Liquidity and Financial Resources

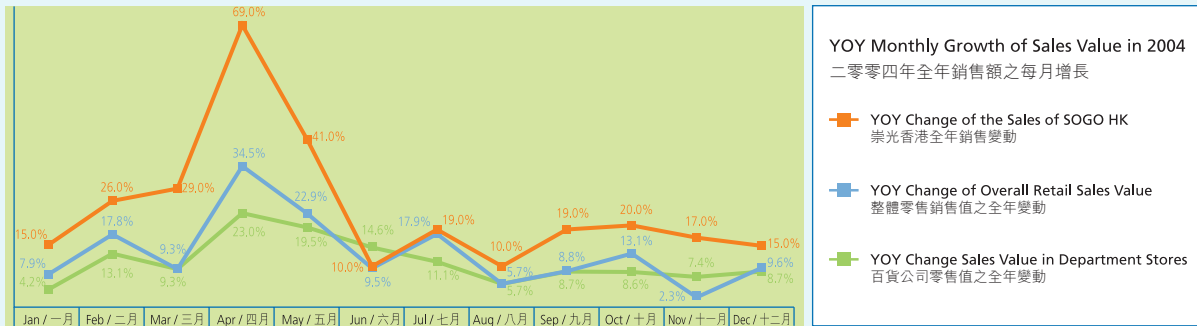
With the net proceeds of approximately HK\$1,628.2 million from the new share issue in April 2004 and the net cash generated from operating activities of approximately HK\$645.9 million for the Year, the Group's cash and bank balance at 31st December, 2004 rose to HK\$2,039.0 million and was in net cash position even after netting off the bank loans of HK\$1,872.9 million. The Group's bank borrowings are repayable within 5 years and carry interest at rates calculated with reference to HIBOR. Total debt to equity ratio, expressed as a percentage of bank and other borrowings over total net assets of HK\$1,792.4 million, was 104.5% as at 31st December, 2004.

### 融資成本

融資成本11,400,000港元主要包括利息開支及銀行貸款融資費用。融資成本大幅減少主要由於在本年度取代同系附屬公司所提供貸款之銀行貸款之息率相對較低及於二零零四年四月本公司上市前將約885,400,000港元股東貸款撥充資本所致。

### 流動資金及財務資源

二零零四年四月發行新股所得款項淨額約1,628,200,000港元及本年度經營業務所產生現金淨額約645,900,000港元，本集團於二零零四年十二月三十一日之現金及銀行結存增至2,039,000,000港元，扣除銀行貸款1,872,900,000港元後仍處於淨現金狀況。本集團之銀行借貸須於五年內償還，乃按參考香港銀行同業拆息計算之利率計算利息。於二零零四年十二月三十一日，按銀行及其他借貸佔淨資產總額1,792,400,000港元之百分比計算之債務總額對股東權益比率為104.5%。



### Pledge of Assets

As at 31st December, 2004, the Group's investment properties and land and buildings with book value of approximately HK\$1,848.4 million (2003: HK\$1,886.8 million) were pledged to banks to secure general banking facilities of the Group.

### Use of Proceeds from Listing and Subsequent Event

Up to 31st December 2004, a total of approximately HK\$50.0 million has been used for the renovation of the SOGO CLUB and SOGO BOOK CLUB and other fitting out works of SOGO Hong Kong. The remaining proceeds are mostly deposited at banks as short term deposits.

### 資產抵押

於二零零四年十二月三十一日，本集團賬面值約為1,848,400,000港元（二零零三年：1,886,800,000港元）的投資物業與土地及樓宇已就本集團一般銀行融資抵押予銀行。

### 上市集資所得款項用途及結算日後事項

截至二零零四年十二月三十一日，合共約50,000,000港元之上市集資所得款項已用於SOGO CLUB及SOGO BOOK CLUB裝修及崇光香港其他裝潢工程。所得款項餘額大部分存於銀行作為短期定期存款。

	2004 二零零四年	2003 二零零三年	Change (+/-, %) 變動(+/-, %)
Average daily traffic of SOGO Hong Kong (persons) 崇光香港之平均每日流量（人次）	90,835	83,840	+8.3
Average sales per ticket(HK\$) 每宗平均銷售額（港元）	363	324	+12.0
Stay and buy ratio(%) 逗留購買比率(%)	28.9	28.9	0.0
Average annual revenue per square foot (HK\$) 每平方呎之年度平均收入	9,300	7,700	+20.8

For the year ended 31st December  
截至十二月三十一日止年度

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The PRC JVs Acquisitions Agreement (as defined in the Company's prospectus dated 31st March, 2004) relating to the acquisition of effective interests of 50% and 65% respectively in 上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.) and 上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited) dated 30th March, 2004 was completed on 7th January, 2005 subsequent to the year end, and a total of HK\$500.0 million in cash, as designated for this purpose at the time of the listing, was paid out from the proceeds.

### Operational Review

During the year just ended, the Company continued to leverage its trusted business and revenue models with great success. At the same time, the Company's Board, management and staff try our best effort to further enhance standards of service for customers and returns for shareholders. The continuance of Hong Kong's steady economic recovery and the drop in unemployment rate have been accompanied by rising of consumer confidence. These developments have been crucial in stimulating sales at many retail businesses and driving the Group's outstanding performance during the Year.

### SOGO Hong Kong

The average daily customer flow for the Year at the Company's Hong Kong flagship SOGO Hong Kong in Causeway Bay reached 90,835, a jump of 8.3% over the figure of 83,840 recorded during the previous year. The "stay and buy" ratio SOGO Hong Kong achieved during the Year remained fairly steady at 28.9% (2003: 28.9%); while SOGO Hong Kong's average individual sales transaction figure of around HK\$363 represented a 12.0% increase over the approximately HK\$324 in the previous year.

有關就收購上海九百城市廣場有限公司及上海久光百貨有限公司分別50%及65%實際權益訂立日期為二零零四年三月三十日之中國合營企業收購協議(定義見本公司日期為二零零四年三月三十一日之售股章程),於年結日後二零零五年一月七日已告完成,並自所得款項撥付上市時指定作此用途合共現金500,000,000港元。

### 業務回顧

於回顧年度,本公司繼續善用其行之有效之業務及收入模式,取得卓越成就。同時,本公司之董事局、管理層及員工亦竭盡所能,進一步提高顧客服務質素及對股東之回報。香港經濟持續穩步復甦,加上失業率下降及消費者信心不斷提升。此等發展對刺激各零售業之銷售起關鍵作用,並帶動本集團於本年度取得彪炳業績。

### 崇光香港

本年度,本公司於香港銅鑼灣之旗艦店崇光香港之每日平均顧客人流達90,835人次,較去年錄得之83,840人次躍升8.3%。本年度崇光香港之「逗留與購物」比率維持於28.9%(二零零三年:28.9%)之穩定水平,而崇光香港之平均每宗銷售交易金額約為363港元,較去年約324港元增加12.0%。

Over the years, SOGO Hong Kong has become not only a magnet for local shoppers, but also a must-visit destination for tourists from Asia and around the world. According to a survey conducted by a leading European investment bank in June 2004, SOGO Hong Kong was ranked as being one of the three most preferred shopping choices in Hong Kong for tourists from Mainland China. SOGO Hong Kong's own regular research currently indicated that approximately 30% of SOGO Hong Kong's revenue has been derived from visitors from Mainland China, as compared to the previous estimate of some 20% at the beginning of 2004.

For the year just ended, SOGO Hong Kong accounted for around 1.9% of all retail sales generated across the Territory. SOGO Hong Kong's approximately 18.3% market share of the department store sector of Hong Kong's retail sector was equally impressive. These figures represent respective increases of approximately 0.2% and 1.4% over the equivalent figures last year.

Much of SOGO Hong Kong's success during the Year was due to the Group and SOGO Hong Kong management's aggressive and well-targeted marketing and business development strategies. Over the course of the year, SOGO Hong Kong launched and hosted approximately 54 special sales and promotional activities.

Regular promotional events such as the annual Japanese food festival and Jumbo SOGO anniversary activity further added to the excitement and innovation for which the SOGO Hong Kong brand has long been renowned. Other successful events held during the Year included a book fair and the Fashion Week featuring more than 30 brand names. The Company's efforts in these and other areas were rewarded with the receipt of a coveted "Hong Kong Quality Brand Award" from the readers of Guangzhou Daily in January 2005.

多年來，崇光香港不單是本地消費者之購物熱點，亦是亞洲以至全球各地旅客必遊之地。根據歐洲一家著名投資銀行於二零零四年六月進行之調查，崇光香港名列中國內地旅客三大首選購物地點之一。崇光香港本身之定期研究顯示，目前崇光香港約30%收入源自中國內地之旅客，較二零零四年初之早前預期約20%為佳。

於回顧年度，崇光香港佔全港所有零售額約1.9%，亦佔香港零售業內百貨業務市場份額約18.3%，數據令人鼓舞。此等數字分別較去年相應數字增加約0.2%及1.4%。

崇光香港於本年度表現卓越，主要受本集團及崇光香港管理層明確及進取的市場推廣及業務發展策略帶動。於本年度內，崇光香港推出並舉辦約54項特別展銷及推廣活動。

崇光香港定期舉辦推廣活動，如每年舉辦之日本美食節及Jumbo SOGO週年活動，均令崇光香港一直享譽之品牌更添新鮮刺激元素。於本年度成功舉辦之其他活動包括書展及匯聚超過30個品牌之時裝推廣週。本公司於此等及其他範疇付出之努力，使公司於二零零五年一月榮獲廣州日報讀者頒贈「香港誠信商號」獎項。

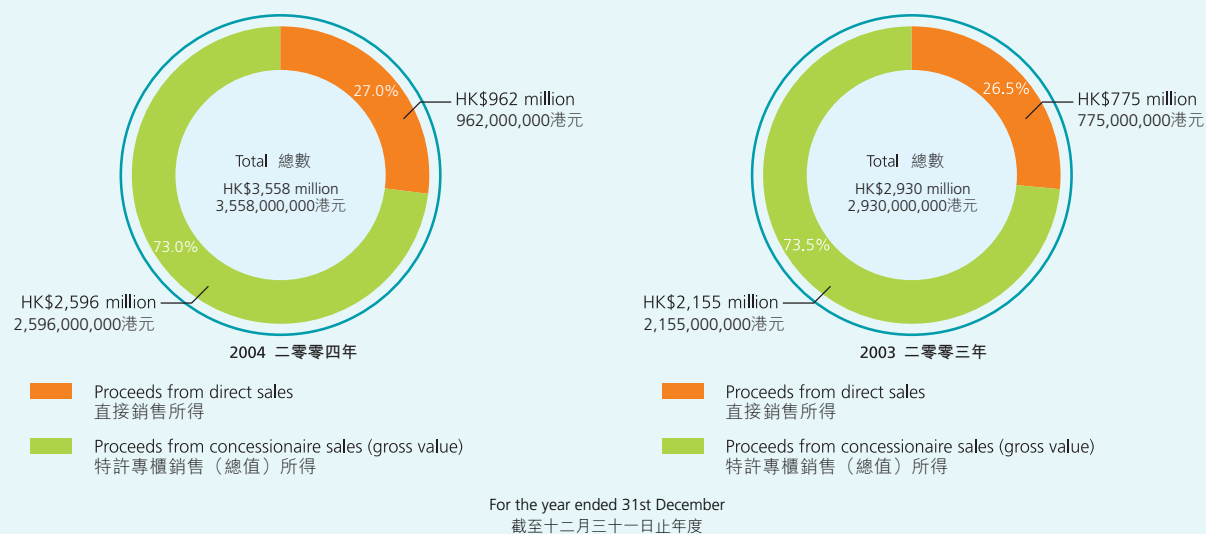
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Additional factors which helped to drive SOGO Hong Kong's business forward during the Year included the steady increase in Mainland Chinese tourists following the introduction of the IVS and the ongoing acceptance of Renminbi credit card and debit cards.

於本年度推動崇光香港業務蒸蒸日上之其他因素，包括實施個人遊計劃後中國內地旅客人數穩步上升，以及以人民幣信用卡及扣賬卡進行交易日漸普及。

### Total Sales Proceeds and Sales Mix

#### 銷售所得款及銷售組合



During the Year, the proportion of direct sale has increased to 27.0% (2003: 26.5%). Ensuring the balance of brands available for customers is an ongoing challenge for the SOGO Hong Kong's management team. Regular renovation work and counter re-allocation are carried out to make customers feel fresh and exciting towards our department store.

於本年度，直接銷售的比例增至27.0%（二零零三年：26.5%）。崇光香港之管理隊伍一直視為顧客提供合適的品牌組合為己任，包括定期進行裝修及重新編排專櫃位置，令百貨店為顧客帶來新鮮感。

SOGO Hong Kong's management is committed to constantly review and update of its customers' changing needs. During the Year, SOGO Hong Kong had added the following leading brands at the flagship store in Causeway Bay: Max & Co., Guy Laroche, Just Gold, Just Diamond, LLadró, Baccarat and Fratelli Rossetti. Further enhancements included the addition of a new Japanese Ramen shop at the supermarket located on Basement II.

#### SOGO CLUB and SOGO BOOK CLUB

In order to further fulfill our promise to offer Hong Kong's premier one-stop shopping environment, SOGO Hong Kong has pioneered the introduction of a luxurious new 11th to 16th floor SOGO CLUB for its members. Located in the New Wing, the newly refurbished, 55,000 square-foot SOGO CLUB will offer loyal patrons multifarious services and facilities which no other department store can match. These include a book club, an organic restaurant, a spa, hair and beauty salons and a fully-fledged cultural centre.

When SOGO CLUB is in full operation, it will provide its members with a truly unique shopping experience which has never seen before in Hong Kong. Early indications are that SOGO CLUB will prove to be the latest in a long line of winning innovations from SOGO Hong Kong. Since its December 2004 soft-opening, SOGO CLUB has received a strong and steady stream of requests for membership and further information which have sustained into the early months of 2005. As at 28th February, 2005, SOGO CLUB had recruited more than 12,000 members. We believe that SOGO CLUB will provide additional revenue to the Group.

崇光香港之管理層致力定期檢討及緊貼顧客瞬息萬變之需求。崇光香港於本年度引入以下著名品牌進駐銅鑼灣旗艦店：Max & Co.、Guy Laroche、Just Gold、Just Diamond、LLadró、Baccarat及Fratelli Rossetti，另於地庫II層之超級市場增添一家日式拉麵店。

#### SOGO CLUB及SOGO BOOK CLUB

為進一步實踐其作為香港首選一站式購物環境之承諾，崇光香港率先於11至16樓為其會員設立瑰麗豪華的SOGO CLUB。SOGO CLUB位於新翼，共佔地55,000平方呎，經全新裝修，將為擁戴我們的顧客提供非其他百貨店所能媲美之各式各樣服務及設施。此等設施包括圖書中心、有機食品餐廳、水療按摩室、髮廊及美容院，以及設備周全之文化中心等。

全面啟用後，SOGO CLUB將為其會員帶來香港前所未有的獨特購物體驗。SOGO CLUB將僅為崇光香港一系列優越創新概念的其中一項。自二零零四年十二月試營業起至二零零五年首兩個月，SOGO CLUB獲得熱烈支持，並收到相當數目之顧客要求加入成為會員及查詢進一步資料。截至二零零五年二月二十八日止，SOGO CLUB已招募超過12,000名會員。我們相信SOGO CLUB將可為本集團帶來額外收益。





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### Advertising Banners and Video Wall

The completion of the installation of outdoor mega advertising banners along SOGO Hong Kong's walls on Hennessy Road was another major development during 2004. The banners offer a unique opportunity for highlighting showcased brands and promotions and have been very well received by the general public. The Company has built on this success by adding a video wall on its East Point Road fascia and a gigantic LCD display panel above its main entrance on Hennessy Road. The video wall and LCD offer customers and pedestrians a comprehensive range of value-added services such as updated news, weather reports and live broadcasts of activities happening inside SOGO Hong Kong.



### Jiu Guang Department Store (Shanghai Operation)

Situated at a prime junction of two arterial subways, the prestigious JoinBuy CityPlaza Mall (the "Property") in Shanghai's thriving Jingan district met all the Company's criteria for successful future operation. Acquisition of the Shanghai operation was completed on 7th January, 2005 and operating results will be reflected in the financial statements of the Group from 2005 onwards.

### 廣告橫額及電視幕牆

於崇光香港沿軒尼詩道外牆安裝戶外大型廣告橫額之工程已於年內完成，此乃二零零四年另一重大發展。橫額提供獨有位置，突出陳列品牌及推廣貨品，大受公眾人士歡迎。有鑑於此，本公司另於東角道廣告牌位置加裝電視幕牆及於軒尼詩道正門對上安裝巨型液晶體顯示屏。液晶體顯示屏及電視幕牆為顧客及行人提供一系列增值服務，如提供最新新聞、天氣報告及崇光香港店內活動即時廣播等。



### 久光百貨(上海業務)

於上海繁盛的靜安區的久百城市廣場(「該物業」)位處兩大主要幹線之黃金交匯點，完全符合本公司成功開拓日後業務之條件。上海業務之收購已於二零零五年一月七日完成，有關營運業績將於本集團二零零五年後之財務報表反映。

The entire available retailing space at the Property covers approximately 690,000 square feet of department store space and approximately 310,000 square feet of shopping mall area. Roughly twice the size of the SOGO flagship store in Causeway Bay, Jiu Guang offers the Company outstanding scope and ability to replicate its Hong Kong success in Shanghai.

The soft-opening of the retailing area at the store took place on 18th June, 2004. Pilot operations at the Property's shopping mall commenced in early July, while the first major sales and promotional activities at the Property began rolling out from 29th September, 2004.

Jiu Guang's 29th September, 2004 Grand Opening ushered in a new era of shopping quality and choice for Shanghai's increasingly sophisticated consumers. With more than 580 different counters, Jiu Guang offers almost twice as many counters as SOGO Hong Kong. Some of these concessionaires have made Jiu Guang their flagship outlet in Mainland China.

The Company has resolved to build on these early achievements by tempting Shanghai shoppers with a range of events as enticing as those enjoyed by shoppers at SOGO Hong Kong. The subsequent calendar of events included not only a Fashion Week, but also the hosting of our first Disney promotion.

該物業內全部零售空間包括約690,000平方呎之百貨店空間及約310,000平方呎之購物商場範圍，為銅鑼灣的崇光旗艦店面積之兩倍，久光將為本公司提供理想發展機會，讓本公司於上海再創香港佳績。

該店之零售業務於二零零四年六月十八日試營業，購物商場亦已於七月初試辦經營，並於二零零四年九月二十九日在該物業展開首個大型銷售及推廣活動，全面投入服務。

久光於二零零四年九月二十九日正式開幕，為要求越來越高之上海消費者開創購物質素及選擇之新紀元。久光匯集逾580個不同專櫃，提供之專櫃數目較崇光香港多出接近一倍，部分特許專櫃商更於久光開設其於中國內地之旗艦店。

本公司在成功開業的基礎上，透過舉辦一連串與崇光香港活動同樣吸引的推廣活動以招徠上海消費者。日後活動包括時裝推廣週以及首個迪士尼推廣活動。



## Management Discussion and Analysis 管理層研討及分析

While the Company's Jiu Guang operations are still in their fledgling stages, the early achievements prove the strategic decision to expand operations into the Shanghai market was a sound one. In February 2005, average daily visitor traffic level was around 30,000 customers and average spending level was around RMB250. The Company remains confident that such early achievements provide very fertile soil for future growth.

### Future Prospects for the Hong Kong Retail Market

In January 2005, SOGO Hong Kong was awarded a coveted "Hong Kong Quality Brand" Award from the readers of Guangzhou Daily. Such accolade is a positive proof of the ongoing success of SOGO Hong Kong's one-stop shop philosophy and the determination to always provide loyal customers with new and rewarding shopping experience.

The continued recovery of Hong Kong's economy and consumer confidence level are sure to enable the Company to build on the impressive achievements made during the Year in the coming year. The substantial increase in Mainland tourists expected following the opening of Hong Kong Disneyland in 2005 means the Company remains equally optimistic about medium- to long-term prospects for its SOGO flagship store in Causeway Bay.

In view of this, the Company has announced to open a second store in Tsim Sha Tsui which is subject to the approval of independent shareholders of the Company, and scheduled to open in September 2005. Occupying a gross floor area of approximately 115,000 square feet, this proposed SOGO store will surely provide consumers on the other side of the harbour with a new shopping experience. The Group will continue to search for expansion opportunities in Hong Kong.

Additionally, the Group will further strengthen the leadership position enjoyed by SOGO Hong Kong by reinforcing customer loyalty and brand awareness of SOGO Hong Kong via effective and creative marketing efforts.

儘管本公司之久光業務仍處於起步階段，但初步成績證實擴充業務至上海市場之策略及決定實為明智之舉。於二零零五年二月期間，該百貨店每日平均人流量約30,000名顧客，而平均消費則約為人民幣250元。本公司充滿信心，認為此等初步成就將為日後增長提供肥沃的土壤。

### 香港零售市場未來前景

於二零零五年一月，崇光香港榮獲廣州日報讀者推選為「香港優質品牌」。此項殊榮見證崇光香港之一站式購物理念及不斷為忠誠顧客提供能夠滿載而歸的嶄新購物體驗之決心一直在發揮理想成效。

趁香港經濟及消費信心水平不斷復甦之勢，本公司在本年度輝煌成績的基礎上於來年更上一層樓。預期隨著香港迪士尼樂園於二零零五年開幕後，內地旅客人數將大幅增加，本公司對銅鑼灣崇光旗艦店之中期及長遠前景同樣樂觀。

有鑑於此，本公司宣布將在尖沙咀開設第二間百貨店，待本公司獨立股東批准後，預期將於二零零五年九月開幕。此建議開設之崇光百貨建築面積約115,000平方呎，勢必在維港彼岸為顧客提供另一購物新體驗。此外，本集團將繼續於香港物色擴充業務的機會。

此外，本集團計劃透過有效創新之市場推廣方法，加強顧客對崇光香港之忠誠度及品牌認識，以進一步加強崇光香港已建立之領導地位。

### Future Prospects for the Shanghai Retail Market

With its GDP continues to achieve consistent year-on-year growth in the high single digits, China is currently the world's most rapidly expanding economy. Home of approximately 1.3 billion increasingly affluent consumers, it's also a highly lucrative market for visionary Hong Kong retailers.

The Company always views itself belonging to this category and remains very optimistic about prospects for this market. Given the encouraging early achievements from Jiu Guang, the Company believes that its Shanghai operation is well on course.

Given the potential of China's retailing market, the Group will continue searching for suitable expansion opportunities in major cities, including Macau, SAR.

The reasons outlined above mean the Board has every confidence in delivering continually encouraging growth in the years to come.

### 上海零售市場未來前景

中國國內生產總值每年持續以高單位數字增長，現時為全球發展最快速之經濟體系。中國更擁有約13億越見富裕的消費者，對香港高瞻遠矚之零售商而言，發展潛力非常優厚。

本公司一直視本身為此類零售商之行列，並對上海零售市場前景仍然非常樂觀。由於久光初期成績令人鼓舞，本公司相信，其上海業務正朝正確方向邁進。

鑑於中國零售市場潛力龐大，本集團將繼續在各大主要城市物色合適擴展機會，其中包括澳門特別行政區。

基於上述因素，董事局對未來幾年繼續取得令人鼓舞的增長充滿信心。





# The Perfect Combination of the TWO Cultures

# 港日兩地文化 完美結合

