

本集團經營業績

營業額

在二零零三年嚴重急性呼吸系統綜合症（「非典型肺炎」）疫症退卻後，經濟迅速復蘇，本集團於上半年之營業額對比去年同期上升百分之二十一點七。於二零零四年下半年，本集團繼續錄得雙位數字之銷售額增長。全年總營業額為港幣四十億零三百萬元（二零零三年：港幣三十三億八千九百萬元），對比去年同期上升百分之十八點一；倘不計入匯兌之有利影響，則上升百分之十六點五。

零售及分銷部門之銷售額達港幣三十七億三千九百萬元（二零零三年：港幣三十二億二千一百萬元），對比去年同期增長百分之十六點一，佔本集團總營業額百分之九十三點四。

製衣部門之銷售額在抵銷分部間銷售後達港幣二億六千四百萬元（二零零三年：港幣一億六千八百萬元），較去年增長百分之五十七點一；而在抵銷分部間銷售前之銷售額較去年增長百分之二十點三至港幣八億二千四百萬元（二零零三年：港幣六億八千五百萬元）。

毛利

於本年度內，本集團之毛利率上升二點六個百分點至百分之五十點八（二零零三年：百分之四十八點二）。由於銷售額及毛利率均有所增長，二零零四年之毛利增加百分之二十四點五至港幣二十億三千五百萬元（二零零三年：港幣十六億三千四百萬元）。管理層將不斷運用更有效的採購機制，以降低貨品成本，及透過提供與別不同及高增值貨品，繼續提升毛利率。

RESULTS OF GROUP OPERATIONS

Turnover

After recording a 21.7 percent year-on-year increase in turnover during the first half on the back of the strong recovery from the 2003 Severe Acute Respiratory Syndrome (SARS) outbreak, the Group continued to post strong double-digit sales growth in the second half of 2004. Total turnover for the full year was HK\$4,003 million (2003: HK\$3,389 million), an increase of 18.1 percent year-on-year; or a 16.5 percent increase if foreign exchange gains were excluded.

Up 16.1 percent year-on-year, sales from the Retail and Distribution Division were HK\$3,739 million (2003: HK\$3,221 million), constituting 93.4 percent of the Group's total turnover.

After the elimination of inter-segment transactions, sales from the Manufacturing Division were HK\$264 million (2003: HK\$168 million), a 57.1 percent increase from the prior year. Sales rose 20.3 percent from the previous year, to HK\$824 million (2003: HK\$685 million) before the elimination of inter-segment transactions.

Gross Profit

During the year, the Group increased its gross margin by 2.6 percentage points to 50.8 percent (2003: 48.2 percent). As a result of sales and gross margin advancement, gross profits rose 24.5 percent to HK\$2,035 million in 2004 (2003: HK\$1,634 million). Management will continue to work on margin improvement, mainly by offering meaningfully differentiated and higher value-added products and reducing the cost of goods through better sourcing capabilities.

經營費用

經營費用合共達港幣十六億二千八百萬元(二零零三年：港幣十三億四千八百萬元)，對比去年同期增加百分之二十點八。分銷費用增加百分之二十三點一至港幣十一億九千四百萬元(二零零三年：港幣九億七千萬)，主要是由於店舖租金支出增加百分之二十點七和店舖員工成本增加百分之二十二點二所致。在本年度內，由於本集團開設多家新店，以及接收若干特許專賣商門市，於二零零四年十二月三十一日，本集團直接管理之零售店舖面積達八十四萬六千平方呎(二零零三年：六十五萬平方呎)，增幅達百分之三十點二。正因如此，二零零四年之店舖租金支出有所上升。至於店舖員工成本增加，主要是由於二零零三年非典型肺炎疫症爆發店舖員工之短暫減薪以及其後因直接管理店舖之增加而需額外支付之員工薪酬。如扣除短暫減薪之效應，店舖員工成本實際增幅為百分之十七點四。

管理費用增加百分之二十二至港幣一億七千二百萬元(二零零三年：港幣一億四千一百萬元)。管理費用之增加主要是由於二零零三年非典型肺炎疫症爆發期間管理及行政人員之短暫減薪所致。如扣除短暫減薪之效應，管理費用之實際增幅為百分之十一點七。

其他經營費用由二零零三年之港幣二億三千七百萬元增至二零零四年之港幣二億六千二百萬元，上升百分之十點五。此增幅主要是由於廣告及宣傳費用增加百分之二十四點七所致。

經營溢利及未計利息、稅項、折舊及攤銷費用之盈利(EBITDA)

經營溢利為港幣四億九千七百萬元，較二零零三年錄得之港幣三億六千四百萬元增長百分之三十六點五。

經營溢利率為百分之十二點四，較二零零三年上升一點七個百分點。

Operating Expenses

Operating expenses, totaling HK\$1,628 million (2003: HK\$1,348 million), increased by 20.8 percent year-on-year. Distribution expense rose by 23.1 percent, to HK\$1,194 million (2003: HK\$970 million), attributed mainly to a 20.7 percent increase in shop occupancy charge and a 22.2 percent increase in shop staff cost. As a result of new store openings and the Group's takeover of a number of authorized dealer outlets during the year, retail floor area of directly managed stores increased by 30.2 percent to stand at 846,000 square feet as at December 31, 2004 (2003: 650,000 square feet). This largely accounts for the increase in shop occupancy charge in 2004. The increase in shop staff cost is mainly attributable to the temporary cuts in shop staff salaries during the 2003 SARS outbreak and staff increases arising from the addition of directly managed stores. Shop staff cost would have increased by 17.4 percent if we exclude the effect of the temporary salary cut.

Administrative expense rose 22.0 percent to HK\$172 million (2003: HK\$141 million). The increase in administrative expense is largely explainable by temporary cuts in management and administrative staff salaries during the 2003 SARS outbreak. Administrative expenses would have increased by 11.7 percent if we exclude the effect of the temporary salary cut.

Other operating expense increased to HK\$262 million in 2004, up by 10.5 percent from HK\$237 million in 2003. The increase was mainly attributable to a 24.7 percent increase in advertising and promotion expenses.

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

Operating profit was HK\$497 million, up 36.5 percent from the HK\$364 million recorded in 2003.

Operating margin was 12.4 percent, up 1.7 percentage points compared to 2003.

零售及分銷部門之經營溢利合共為港幣四億四千三百萬元(二零零三年：港幣三億一千九百萬元)，佔本集團之經營溢利百分之八十九點一(二零零三年：百分之八十七點六)。於本年度內，此部門之經營溢利率由二零零三年之百分之九點九提升至百分之十一點八。

由於銷售額及毛利率同告上升，致使EBITDA對比去年同期上升百分之三十二點四至港幣六億四千六百萬元(二零零三年：港幣四億八千八百萬元)。EBITDA之利潤率則上升一點七個百分點至百分之十六點一(二零零三年：百分之十四點四)。

股東應佔溢利

股東應佔溢利合共港幣三億九千三百萬元(二零零三年：港幣二億六千六百萬元)，對比去年同期上升百分之四十七點七。應佔聯營公司溢利增長百分之七十六點二，主要是由於本集團於韓國之主要聯營公司業務表現有所改善。

本集團之實際稅率由二零零三年之百分之二十三點三輕微減低至百分之二十點六，主要是由於本集團不同市場之溢利貢獻組合改變所致。

現金流量

由於自二零零五年一月一日起撤銷「配額」制度，本集團增儲存貨以緩和其所產生之不明朗風險，存貨因而增加港幣一億零九百萬元，以致經營業務之現金流入額減少至港幣三億二千二百萬元(二零零三年：港幣四億九千八百萬元)。二零零五年的數週，存貨已見減低至預算的水平。

投資業務之現金流出額為港幣一億一千三百萬元，遠較二零零三年所錄得之港幣四千二百萬元為高，主要是由於本集團重新展開於二零零三年暫時擱置之店舖翻新工程，以致資本開支增加港幣八千一百萬元。

於本年度內，融資活動之現金流出額為港幣三億一千七百萬元，與二零零三年錄得之港幣三億元水平相若。該等金額主要與支付現金股息有關。

Operating profit from the Retail and Distribution Division totaled HK\$443 million (2003: HK\$319 million), representing 89.1 percent (2003: 87.6 percent) of the Group's operating profit. During the year, operating margin for the Division improved from 9.9 percent in 2003 to 11.8 percent.

EBITDA amounted to HK\$646 million (2003: HK\$488 million), up 32.4 percent year-on-year as a result of improvements in sales and gross margin. EBITDA margin rose by 1.7 percentage points to 16.1 percent (2003: 14.4 percent).

Profit Attributable to Shareholders

Profit attributable to shareholders, totaling HK\$393 million (2003: HK\$266 million), represented a 47.7 percent increase year-on-year. Share of profits of associated companies increased by 76.2 percent, largely owing to the improved performance of our key associated company in Korea.

The Group's effective tax rate decreased slightly to 20.6 percent from 23.3 percent in 2003 primarily due to the change in composition of profits contribution from the Group's various markets.

Cash Flow

Cash inflow from operating activities decreased to HK\$322 million (2003: HK\$498 million), due mainly to an increase in inventories by HK\$109 million as the Group rebuilt its stocks to mitigate the risk of the uncertainties created by the dismantling of the "quota" system on January 1, 2005. Early weeks of 2005 have seen a reduction of inventories to the expected levels.

Cash outflow from investing activities, amounting to HK\$113 million, was significantly higher than the HK\$42 million recorded in 2003. This is largely explained by a HK\$81 million increase in capital expenditure as the Group restarted store refurbishment projects that were put on hold in 2003.

At HK\$317 million, cash outflow from financing activities remained at a similar level as the HK\$300 million recorded in 2003. This relates primarily to payments of cash dividends.

管理層之論述及分析

MANAGEMENT'S DISCUSSION AND ANALYSIS

本集團之財務狀況

於二零零四年十二月三十一日，本集團之現金及銀行存款為港幣七億五千二百萬元（二零零三年：港幣八億五千萬元）。

本集團營運資金由二零零三年之港幣九億一千一百萬元增加至年內之港幣十億零四百萬元，流動比率為二點七倍，與二零零三年年底之二點五倍相比，輕微上升。

於年底，本集團之存貨由二零零三年之港幣二億二千二百萬元增加至港幣三億三千一百萬元。於二零零四年，存貨對銷售之流轉比率為三十日（二零零三年：二十四日），剛為本集團介乎二十八日至三十二日之目標的中位。

於二零零四年十二月三十一日，本集團之總負債為港幣六億八千四百萬元，與二零零三年年底之港幣六億八千五百萬元相若。股東權益較二零零三年年底之港幣十七億九千九百萬元上升百分之八點六，達港幣十九億五千四百萬元。以股東權益計算，本集團資本負債率為百分之三點二（二零零三年：百分之三點七）。

由於店舖裝修及保養費用上升，年內本集團之資本開支為港幣一億四千三百萬元（二零零三年：港幣六千二百萬元），佔經營業務現金流入淨額百分之四十四點四（二零零三年：百分之十二點四）。管理層預期二零零五年之資本開支將增加至約港幣二億元，其中港幣一億五千萬元將計劃用作店舖翻新。

於年底，本集團之融資信貸合共港幣三億八千九百萬元（二零零三年：港幣四億二千一百萬元），當中港幣六千三百萬元之循環貸款經已提用而尚未償還。於二零零四年十二月三十一日，本集團之或然負債為港幣五千二百萬元（二零零三年：港幣四千三百萬元），所有該等款項乃於正常業務運作中產生。

GROUP FINANCIAL POSITION

At December 31, 2004, the Group had cash and bank deposits of HK\$752 million (2003: HK\$850 million).

The Group's working capital increased to HK\$1,004 million from HK\$911 million during 2004. Current ratio was 2.7 times, a slight increase from the 2.5 times at the end of 2003.

At the end of the year, the Group's inventories totaled HK\$331 million, up from the HK\$222 million recorded in 2003. In 2004, inventory turnover on sales was 30 days (2003: 24 days), right in the middle of the Group's target range of 28 to 32 days.

At December 31, 2004, total liabilities were HK\$684 million, almost the same as the HK\$685 million at the end of 2003. Shareholders' equity was HK\$1,954 million, an 8.6 percent increase over the HK\$1,799 million at the end of 2003. The Group's gearing was 3.2 percent (2003: 3.7 percent) based on shareholders' equity.

Attributed to an increase in shop renovation and maintenance, capital expenditure during the year was HK\$143 million (2003: HK\$62 million), representing 44.4 percent (2003: 12.4 percent) of net cash inflow from operating activities. Management foresees a bigger capital expenditure of about HK\$200 million in 2005, of which about HK\$150 million is planned for shop refurbishment.

The Group had financing facilities totaling HK\$389 million at the end of the year (2003: HK\$421 million), of which HK\$63 million revolving loan facilities had been drawn and were outstanding. As at December 31, 2004, the Group had contingent liabilities of HK\$52 million (2003: HK\$43 million) incurred in the normal course of business.

部門業務概況

零售及分銷部門

零售及分銷部門之營業額為港幣三十七億三千九百萬元（二零零三年：港幣三十二億二千一百萬元），較二零零三年增長百分之十六點一，所有市場之銷售均呈現強健增長。

於本年度內，可比較門市之銷售額及可比較門市之毛利，對比去年同期分別增加百分之七點二及百分之十點四。

*Giordano*主系列之零售營業額較去年增長百分之十六，所有市場均錄得雙位數字增長。於二零零四年，環顧所有市場，以日本之銷售額增長最高，緊隨的是印尼和泰國。同時，零售毛利率上升三點一個百分點，其中仍以日本之毛利率增長最高，台灣則緊隨其後。本集團計劃於二零零五開設約一百四十間新店。

與二零零三年相比，*Giordano Ladies*之營業額增長百分之三十點二，而毛利率則上升六點二個百分點。年內，所有市場之銷售額及毛利均出現強勁增長。於二零零四年十二月，本集團在新加坡推出*Giordano Ladies*系列，於烏節路開設該系列之首間店舖；店舖表現與管理層預期一致。本集團亦計劃於二零零五年在新加坡增設兩間新店。本集團現正研究其他市場機會，藉以展開較往年更為進取之擴展計劃，推廣*Giordano Ladies*系列。

*Bluestar Exchange*之營業額對比去年同期增長百分之三十二點五，而毛利率則增長一個百分點。年內，本集團開設了三十五間新店，令二零零四年年底之門市總數增至一百二十一間。本集團計劃於二零零五年開設約二十五間新店，亦正評估在其他市場推廣此品牌之可行性。

DIVISIONAL OPERATIONS HIGHLIGHTS

Retail and Distribution

Turnover from the Retail and Distribution Division totaled HK\$3,739 million (2003: HK\$3,221 million), 16.1 percent higher than that of 2003, with all markets showing strong growth.

During the year, comparable store sales and comparable store gross profit increased by 7.2 percent and 10.4 percent year-on-year, respectively.

Retail turnover of *Giordano* core line was 16.0 percent higher than that of the previous year, with all markets experiencing double-digit turnover growth. Among our markets, Japan saw the best sales growth in 2004, followed by Indonesia and Thailand. Meanwhile, retail gross margin improved by 3.1 percentage points, with Japan again seeing the best gross margin improvement during the year, followed by Taiwan. About 140 new stores are planned for 2005.

Turnover of *Giordano Ladies* increased 30.2 percent while gross margin rose by 6.2 percentage points when compared to those of 2003. All markets posted strong sales and gross profit growth during the year. The Group launched *Giordano Ladies* in Singapore with the first store opening on Orchard Road in December 2004. The store has performed to Management's expectations and two additional outlets are planned for Singapore in 2005. The Group is studying other market opportunities for a slightly more aggressive expansion program for *Giordano Ladies* compared with previous years.

Bluestar Exchange's turnover increased by 32.5 percent year-on-year and gross margin widened by 1.0 percentage point. During the year, the Group opened 35 new outlets to bring the total store count to 121 by the end of 2004. About 25 new stores are planned for 2005 and the Group is also evaluating the possibility of launching the brand in some of its other markets.

管理層之論述及分析

MANAGEMENT'S DISCUSSION AND ANALYSIS

製衣部門

製衣部門之營業額(包括分部間銷售)為港幣八億二千四百萬元(二零零三年:港幣六億八千五百萬元),較去年同期增長百分之二十點三,而毛利率則與去年相若。因此,製衣部門之經營溢利增至港幣五千一百萬元(二零零三年:港幣四千二百萬元)。

在二零零三年非典型肺炎疫症過後,製衣業務亦持續穩步回升。為減少對日本市場之依賴,製衣部門作出多方面之嘗試以擴展客戶基礎,並已初見成果。於二零零四年,日本業務所佔之營業額為百分之十七,而外來客戶(日本除外)之業務佔營業額約百分之十五。

於二零零四年,製衣部門對本集團之依賴進一步減少,現只佔其營業額百分之六十八,這正好配合本集團之長遠發展方向,減少兩個部門分部間之銷售。

下表列示本集團製衣部門營業額之分項數字:

Manufacturing

The Manufacturing Division's turnover, including inter-segment sales, amounted to HK\$824 million (2003: HK\$685 million), a 20.3 percent increase over the previous year while gross margin remained almost unchanged. As a result, the Manufacturing Division's operating profit increased to HK\$51 million (2003: HK\$42 million).

Business continued to pick up in the aftermath of the 2003 SARS outbreak. The Division's various efforts to broaden its client base to reduce its reliance on the Japanese market also bore fruit. In 2004, business with non-Japanese third parties accounted for about 15.0 percent of turnover, just below Japan's 17.0 percent share.

In 2004, the Manufacturing Division's reliance on the Group further declined to 68.0 percent of its turnover, in line with the long term direction of reducing inter-segment transactions between the two divisions.

The following table shows a breakdown of our manufacturing turnover:

		2004	2003	2002	2001	2000
營業額(港幣百萬元)	Turnover (HK\$ millions)	824	685	759	727	727
佔營業額之百分比:	Percentage of turnover to:					
本集團	Group	68	76	72	70	72
第三者	Third Parties					
日本	Japan	17	17	23	25	17
香港	Hong Kong	3	4	3	3	5
中國大陸	Mainland China	1	-	-	-	4
韓國	Korea	-	-	-	1	2
其他	Others	11	3	2	1	-

地區業務概況

由於二零零三年第二季爆發非典型肺炎而造成較低之比較基數，因而本集團於二零零四年上半年在主要市場之銷售額較二零零三年同期大幅上升。銷售額於下半年仍持續有良好的增長。

中國大陸

GEOGRAPHIC OPERATIONS HIGHLIGHTS

Sales in the Group's key markets posted strong year-on-year turnover increases during the first half due to the low comparison bases caused by the SARS outbreak in the second quarter of 2003. Sales continued to show good growth in second half of the year.

Mainland China

		2004	2003	2002	2001	2000
銷售額(港幣百萬元)*	Sales (HK\$ millions) *	952	815	856	808	712
每平方呎銷售額(港元)**	Sales per sq. ft. (HK\$) **	2,400	3,000	4,000	4,700	5,500
可比較門市之銷售額 增加/(減少) ***	Comparable store sales increase/(decrease) ***	7%	(13%)	-	-	6%
零售面積(平方呎)****	Retail floor area (sq. ft.) ****	557,800	484,300	434,800	382,600	298,300
門市數目****	Number of outlets ****	671	581	532	461	357

* 包括售予特許專賣商之銷售淨額

** 按加權平均基準計算之直接管理門市

*** 指於兩個作比較之財政年度內均開業十二個月之直接管理門市

**** 於十二月三十一日直接管理及特許專賣商門市總數

* Including net sales to authorized dealers

** On weighted average basis for directly managed outlets

*** For directly managed outlets which were open for the full 12 months in each of the two fiscal years under comparison

**** Total directly managed and authorized dealer outlets as at December 31

營業額上升百分之十六點八至港幣九億五千二百萬元(二零零三年：港幣八億一千五百萬元)。每平方呎銷售額由二零零三年之港幣三千元下降百分之二十至港幣二千四百元，部分原因由於年內接收了若干特許專賣商之門市。儘管競爭激烈，但本集團仍堅持嚴格之價格折讓及促銷政策以維持其毛利率。

黃金地段之租金仍然處於不合理高位。於年內，該市場淨增加九十間新店，當中有七十四間為主系列門市、兩間為 *Giordano Ladies* 門市、十五間 *Bluestar Exchange* 門市，以及結束了一間 *Giordano Junior* 的門市。其中多間大型店舖開設於租金仍屬合理的市郊新商場。儘管初期銷售效益有所下跌，但本集團預期，隨著越來越多市民到該等新商場購物，情況將有所改善。管理層在為店舖物色新地點及重續租約時繼續持審慎態度，並計劃於二零零五年開設約八十間主系列門市及二十間 *Bluestar Exchange* 門市。

Turnover increased 16.8 percent to HK\$952 million (2003: HK\$815 million). Sales per square foot fell by 20.0 percent to HK\$2,400, from HK\$3,000 in 2003, explainable in part by the takeover of certain authorized dealers' shops during the year. Despite intense competition, we stayed the course and maintained a disciplined approach towards price discounts and promotions in order to defend our gross margin.

Rental in prime locations remain at unreasonably high levels. During the year, there was a net increase of 90 outlets, of which 74 were core line, two were *Giordano Ladies*, 15 were *Bluestar Exchange* and we closed one standalone *Giordano Junior* outlet. Many of these are large format stores in new suburban shopping malls where rentals are still reasonable. Even though this caused an initial decline in sales efficiency we expect the situation to improve as shoppers increasingly migrate to these new malls. Management will remain prudent when committing to new locations and renewing old leases and plans to open about 80 core line and 20 *Bluestar Exchange* outlets in 2005.

管理層之論述及分析

MANAGEMENT'S DISCUSSION AND ANALYSIS

本集團繼續專注在市場上為公司品牌確立別樹一格之形象。為此，本集團已完成佔地一萬八千平方呎之上海旗艦店之大型翻新工程。翻新工程為期兩個月，並已於二零零四年四月底重新營業。店舖在翻新後之業績符合本集團之期望，本集團另計劃於二零零五年翻新廣州旗艦店。

The Group continued to focus on meaningfully differentiating our brands in the marketplace. As part of this exercise, we completed a major renovation of our 18,000-square feet Shanghai flagship store. The renovation took two months and the store re-opened in late April, 2004. The renovated store has performed in line with our expectations and we plan to renovate our Guangzhou flagship in 2005.

香港

Hong Kong

		2004	2003	2002	2001	2000
銷售額 (港幣百萬元)	Sales (HK\$ millions)	810	697	776	760	788
每平方呎銷售額 (港元)*	Sales per sq. ft. (HK\$) *	7,100	6,200	6,800	6,400	7,000
可比較門市之銷售額 增加/(減少) **	Comparable store sales increase/(decrease) **	11%	(15%)	3%	(8%)	(5%)
零售面積 (平方呎)***	Retail floor area (sq. ft.) ***	113,700	112,100	116,400	114,200	127,300
門市數目***	Number of outlets ***	92	75	73	72	74

* 按加權平均基準計算

* On weighted average basis

** 指於兩個作比較之財政年度內均開業十二個月之門市

** For outlets which were open for the full 12 months in each of the two fiscal years under comparison

*** 於十二月三十一日

*** As at December 31

由於二零零三年非典型肺炎疫情過後旅客回流以及中國放寬內地旅客個人遊計劃，消費意欲明顯改善。因此，於二零零四年大部份期間，香港市場對比去年同期錄得強勁增長，直至第四季時，天氣異常和暖令增幅放緩。儘管如此，營業額對比去年同期增長百分之十六點二至港幣八億一千萬元（二零零三年：港幣六億九千七百萬元），全線各個系列之銷售額較去年同期均錄得雙位數字之增長。每平方呎銷售額及可比較門市之銷售額亦錄得雙位數字之增長，分別為百分之十四點五及百分之十一。出現有關增幅之部份原因為本集團致力提升品牌形象及堅守對價格與折扣的控制，以及零售環境經已有所改善。

Consumer sentiment improved markedly following the return of tourists after the 2003 SARS outbreak and the relaxation of the individual travel scheme for Mainland Chinese tourists. As a result, Hong Kong saw strong year-on-year growth through most of 2004 until the unseasonably warm weather in the fourth quarter slowed down the pace of growth. In spite of this, turnover increased by 16.2 percent to HK\$810 million (2003: HK\$697 million) year-on-year, with all lines achieving double-digit year-on-year sales increases. Both per-square-foot sales and comparable store sales posted double-digit gains of 14.5 percent and 11.0 percent respectively. This is due partly to our efforts to upgrade the brand image and to maintain discipline on pricing and discounts; and partly to the improved retail climate.

於本年度內，該市場淨增加十七間新店，當中九間主系列門市及八間Bluestar Exchange門市，致使二零零四年底店舖總數達九十二間。

During the year, there was a net increase of 17 outlets, of which nine were core line and eight were Bluestar Exchange, bringing the total number of outlets to 92 at the end of 2004.

台灣

Taiwan

		2004	2003	2002	2001	2000
銷售額 (港幣百萬元)	Sales (HK\$ millions)	707	604	677	746	871
每平方呎銷售額 (港元)*	Sales per sq. ft. (HK\$) *	2,900	2,600	2,900	3,600	5,500
可比較門市之銷售額 增加/(減少) **	Comparable store sales increase/(decrease) **	1%	(13%)	(15%)	(14%)	(4%)
零售面積 (平方呎)***	Retail floor area (sq. ft.) ***	245,800	241,500	232,900	232,400	184,500
門市數目***	Number of outlets ***	236	195	182	181	159

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之門市

*** 於十二月三十一日

* On weighted average basis

** For outlets which were open for the full 12 months in each of the two fiscal years under comparison

*** As at December 31

營業額合共港幣七億零七百萬元 (二零零三年：港幣六億零四百萬元)，較去年增長百分之十七點一。由於台灣的總統大選爭議事件，三月底至四月初銷售額增長放緩。儘管如此，全線各個系列之營業額對比去年同期仍錄得雙位數字之增長。

於本年度內，該市場淨增加四十一間門市，當中有二十九間主系列門市及十二間 *Bluestar Exchange* 門市。

本集團繼續實施多項建立品牌之措施，尤其是致力於提升零售價格及減少折扣優惠，致使毛利率增長三點七個百分點，增幅為本集團四大銷售地區中最高，僅次於日本。透過繼續致力於品牌建立，加上改善之存貨管理、更協調之新貨推介，以及憑藉全球貨品發展平台，管理層有信心台灣業績之回升將會持續。

Turnover totaled HK\$707 million (2003: HK\$604 million), up 17.1 percent from a year ago. Sales growth suffered a short disruption in late March and early April due to the presidential election controversy. In spite of this, all lines achieved double-digit year-on-year turnover growth.

During the year, there was a net increase of 41 outlets, of which 29 were core line and 12 were *Bluestar Exchange*.

The Group continued to pursue its various branding initiatives, especially its efforts to increase retail prices and withhold discounts, and was able to achieve a 3.7 percentage point increase in gross margin, the highest among the Group's four key territories and second only to Japan. Through continued-branding efforts, together with improved inventory management, better coordinated product launches, as well as leveraging on the global product development platform, Management is confident that the current recovery is sustainable.

管理層之論述及分析
MANAGEMENT'S DISCUSSION AND ANALYSIS

新加坡

Singapore

		2004	2003	2002	2001	2000
銷售額(港幣百萬元)	Sales (HK\$ millions)	391	348	372	330	349
每平方呎銷售額(港元)*	Sales per sq. ft. (HK\$) *	8,700	7,700	9,000	9,700	13,300
可比較門市之銷售額 增加/(減少)**	Comparable store sales increase/(decrease) **	13%	(14%)	(7%)	(13%)	(5%)
零售面積(平方呎)***	Retail floor area (sq. ft.) ***	48,600	43,600	46,000	37,800	32,400
門市數目***	Number of outlets ***	47	43	49	44	35

* 按加權平均基準計算

* On weighted average basis

** 指於兩個作比較之財政年度內均開業十二個月之門市

** For outlets which were open for the full 12 months in each of the two fiscal years under comparison

*** 於十二月三十一日

*** As at December 31

營業額增長百分之十二點四至港幣三億九千一百萬元(二零零三年：港幣三億四千八百萬元)。除了受二零零三年因非典型肺炎疫情引致之低基數影響外，銷售額的改善亦歸功於實施較佳之採購及存貨控制。可比較門市之銷售額及每平方呎銷售額均回升百分之十三。管理層實施更為嚴格之折扣控制，使毛利率得以改善。

Turnover increased 12.4 percent to HK\$391 million (2003: HK\$348 million). Besides the low-base effect due to SARS in 2003, sales also improved because of better merchandizing and inventory control. Comparable store sales and per-square-foot sales both rebounded by 13.0 percent. Gross margin also improved as Management imposed tighter control of discounts.

於二零零四年十二月，本集團在烏節路最繁華之高級購物中心之一Paragon開設獨立店舖推出Giordano Ladies系列。該店舖業績表現出色，本集團計劃於二零零五年增設兩間Giordano Ladies門市。

In December 2004, we launched *Giordano Ladies* in Singapore with the opening of a freestanding store in the Paragon, one of the most prominent and up-market shopping malls on Orchard Road. Performance has been strong and two more *Giordano Ladies* outlets are planned for 2005.

其他市場

於本年度內，本集團其他市場之銷售額及毛利率對比去年同期均錄得強勁增長。此等市場合共佔本集團二零零四年總零售及分銷營業額百分之十五點二，二零零三年為百分之十三點八。

Other Markets

During the year, the Group's other markets all achieved strong year-on-year sales and gross margin improvement. Taken together, this group accounted for 15.2 percent of the Group's total 2004 retail and distribution turnover, compared to 13.8 percent in 2003.

(以港幣百萬元為單位)	(In HK\$ millions)	澳洲 Australia	馬來西亞 Malaysia	印尼 Indonesia	泰國 Thailand	日本 Japan	合計 Total
二零零四年	2004	188	126	119	84	53	570
二零零三年	2003	149	114	90	64	28	445
對比去年同期增加	Year-on-year increase	26.2%	10.5%	32.2%	31.3%	89.3%	28.1%

澳洲

澳洲繼二零零三年錄得強勁業績增長後，持續取得理想成績。於二零零四年，銷售額增長達百分之二十六點二至港幣一億八千八百萬元（二零零三年：港幣一億四千九百萬元）。倘不計入匯兌之有利影響，銷售額仍較去年增加百分之十三點二。隨著本集團開始將業務自新南威爾斯省及維多利亞省拓展至東海岸其他城市，本公司於二零零四年增設了八間新店，年底店舖總數為四十二間。管理層相信，穩健之貨幣匯率及經調低之進口關稅，將繼續有利於澳洲的銷售情況。本集團計劃於二零零五年開設七間新門市，並且積極探討於當地推出集團其他品牌之潛力。

Australia

Australia continued to deliver good growth after a strong 2003. In 2004, sales advanced 26.2 percent to HK\$188 million (2003: HK\$149 million). If foreign exchange gains were excluded, sales would still have grown by 13.2 percent over the previous year. Eight new stores were added in 2004 as we began to expand out of New South Wales and Victoria into the rest of the eastern seaboard. The total store count stood at 42 at the end of the year. Management believes that Australia will continue to benefit from a stable currency and reduced import tariffs. Seven new stores are earmarked to open in 2005 and the Group is actively exploring the potential of launching some of its other brands there.

日本

銷售額對比去年，增長百分之八十九點三；倘不計入匯兌帶來之有利影響，銷售額仍增加百分之七十四點六。年內，淨新增設之門市合共十一間，使於二零零四年十二月三十一日之店舖總數達二十四間。每平方呎之銷售額上升百分之四十五，而毛利率則增加五點七個百分點。有關業務於二零零四年最後一季首次達至收支平衡，儘管本年度仍然錄得虧損，管理層期望於二零零五年可轉虧為盈。我們將會循序漸進，繼續發展於關西地區之基地，並計劃於二零零五年另外增設十間門市。

Japan

Sales grew 89.3 percent year-on-year, or 74.6 percent when positive foreign exchange impact was excluded. During the year, there was a net opening of 11 outlets, taking store count to 24 as at December 31, 2004. Sales per square foot rose by 45.0 percent while gross profit margin expanded by 5.7 percentage points. The business began to breakeven during the last quarter of 2004 and although the year still ended with a loss, Management aims to achieve profitability in 2005. We will continue to build methodically on our base in the Kansai region and have plans to open another ten outlets in 2005.

合營公司

韓國

在二零零四年的大部份時間，韓國市況依然艱難。先前顯示的消費意欲上升實屬幻象，而個人信貸危機之持續影響、加上出口增長放緩及失業率上升等因素，導致零售消費疲弱。因此，價格競爭仍然激烈，營業額較去年下降百分之十點八。儘管如此，透過實施更為嚴格之定價及減價控制，毛利率仍然有所增長。經濟及消費意欲已逐漸改善，若能保持當前發展趨勢，期望二零零五年業務將繼續好轉。

中東

營業額較去年增加百分之二十三點一，主要是由於本集團開設新店。二零零四年油價上漲刺激當地之消費意欲，但區內局勢持續不穩，影響了零售業的表現。長遠而言，尤其近期局勢有所緩和，該地區之發展將會仍然興旺。本集團之店舖組合與品牌地位將可在中東市場出現預期復蘇時，奠下穩固基礎。

於本年度內，本集團在該市場已新增十四間門市，於二零零四年十二月三十一日之店舖總數達八十九間。本集團計劃於二零零五年在區內增設十間門市。本集團於二零零四年第四季度在杜拜進行 *Giordano Junior* 之市場測試，初期反應令人鼓舞。本集團計劃於二零零五年在該地區正式展開該品牌市場推廣。

人力資源

於二零零四年十二月三十一日，本集團約有九千名僱員。本集團向若干高級管理人員提供優厚之花紅計劃及授出購股權，作為獎勵及挽留優秀幹練管理層人才之方法。此外，本集團亦向各級員工提供優厚薪酬，更發放按目標為本計算之花紅。

Joint Ventures

Korea

Market conditions remained difficult in Korea for most of 2004. Early signs of a pickup in consumer sentiment proved illusory, and retail spending continued to be weighed down by the lingering effects of the personal credit crisis, together with a slowdown in export growth and a rise in unemployment. As a result, price competition remained intense and turnover fell by 10.8 percent over the previous year. In spite of this, gross margin improved owing to better discipline on pricing and discounts. The economy and consumer sentiment has been picking up slowly and we hope to see a sustained turnaround in the business in 2005 if present trends hold.

Middle East

Turnover grew by 23.1 percent, compared to the year before, mainly due to new store openings. The rise in oil prices in 2004 has lifted consumer sentiment in the region, but this was tempered by the continued instability in the region. However, the longer term prospects, especially in light of the recent reduction in tensions, remain positive. Our shop portfolio and brand position will give us a strong foundation for the anticipated recovery there.

During the year, 14 new outlets were opened taking the total number of outlets to 89 as at December 31, 2004. We plan to open ten new stores in the region in 2005. We also began test marketing *Giordano Junior* in Dubai in the last quarter of 2004. The initial response has been encouraging and we plan to formally launch the brand in the Middle East in 2005.

HUMAN RESOURCES

On December 31, 2004, the Group had approximately 9,000 employees. The Group offers incentive bonus schemes and share options to certain senior managers as a means to reward and retain a high caliber management team. Competitive remuneration packages and goal-oriented bonuses are also paid to different levels of staff.

展望

管理層對中期的全球經濟前景感到樂觀。由於本集團所有市場之消費意欲持續恢復，本集團相信，二零零五年本集團必將持續發展，並以提升銷售額及增加溢利為目標。

自二零零五年一月一日取消紡織品配額制度後，業界得以擺脫一大貿易障礙，亦為本集團之採購業務營造有利環境。

同時，全球化之步伐加劇了本集團在各地之競爭，因此本集團必須確立集團品牌獨特之處，方能有效進行競爭並達至提升銷售額及增加溢利之目標。就此而言，本集團不僅須繼續加強傳統之優勢，如提高產品創新及品質、提供卓越客戶服務、提高資訊科技及控制成本及存貨等，亦需要加快品牌建設之步伐。為此，本集團計劃投資大約港幣二億元於店舖翻新及開設新店，並將重新訂定廣告及宣傳費用開支，以展開一個配合全球性之宣傳活動。透過該等投資，本集團旨在提升其主要品牌 *Giordano* 及維持其競爭優勢地位，同時將 *Bluestar Exchange* 定位為市場之「單項營銷」類別。此外，管理層現正積極考慮在澳洲及印尼開設 *Bluestar Exchange* 之可行性，並認為該品牌在澳洲及印尼具備良好發展潛力。

1. 中國大陸

從中期而言，中國大陸將繼續成為本集團主要增長動力來源。管理層相信經濟在二零零五年及往後繼續取得高增長。然而，本集團預計競爭亦將持續加劇，蓋因本集團不僅須面對國內之競爭，亦要應付擬進軍中國之國際品牌。管理層相信，本集團若要保持其競爭地位，唯一途徑是在市場上建立本身之獨特形象。鑑於本集團於上海之旗艦店經過翻新後，顧客反應頗佳，本集團計劃展開全面之店舖翻新工程，當中包括公司及特許專賣商經營之店舖，而以廣州旗艦店之翻新計劃為二零零五年最重要之項目。

OUTLOOK

Management is optimistic about the medium term global economic outlook. On the back of sustained revival of consumer sentiments in all our markets, we believe 2005 holds great promise of sustained growth for the Group and will aim for higher sales and profit growth.

The dismantling of the textile quota system on January 1, 2005 has relaxed a substantial trading barrier for the industry and has generally created a favorable environment for the Group's sourcing activities.

At the same time, globalization has sharpened competition for the Group everywhere and we must be able to clearly differentiate our brands so as to compete effectively and achieve our goal of higher sales and profits growth. This will involve not only executing on our traditional areas of strength like product innovation and quality, superior customer service, information technology and cost and inventory controls. It will also involve stepping up the pace on branding. To this end, the Group plans to invest HK\$200 million in store refurbishment and rollout, and to re-direct its advertising and promotion spending towards a global advertising campaign. With this investment, the Group aims to elevate its main *Giordano* brand and maintain its competitive lead, and at the same time to position *Bluestar Exchange* to own the "item-business" segment of the market. Management is also actively looking into the feasibility of launching *Bluestar Exchange* in Australia and Indonesia where we see good potential for the brand.

1. Mainland China

In the medium term, Mainland China continues to be the Group's major growth driver. Management believes the economy will be able to sustain a high rate of growth in 2005 and beyond. However, we expect competition to continue intensifying, with the Group having to deal not only with domestic rivals but also international brands seeking entry into China. Management believes that the only way for the Group to maintain its competitive position is to distinguish ourselves in the marketplace. In light of the favorable customer response to our revamped Shanghai flagship store, we have planned a comprehensive refurbishment program to include both company-operated and authorized dealer stores, with the planned renovation of our Guangzhou flagship being the most important project in 2005.

2. 香港

香港方面，於二零零四年下半年經濟復蘇步伐明顯加快，主要由物業市場及股票市場獲利所帶動。隨著抵港遊客增加，尤其是放寬個人遊計劃後來港之中國大陸遊客增多，消費意欲亦得以恢復。待香港迪士尼樂園於本年九月開幕後，旅遊業會再創佳績。另一方面，經濟復蘇亦增加了成本壓力，特別在租金方面更為明顯。某程度上，本集團未嚴重受到租金壓力所影響，蓋因其兩家旗艦店均已訂立長期租約。然而，管理層仍會密切監控經營成本。於二零零五年，本集團已完成翻新尖沙咀之旗艦店，並計劃增設七間新門市。

3. 台灣

於二零零四年，本集團在台灣之市場推廣及內部重組措施發揮成效，令當地之銷售額及溢利均取得強勁增長，管理層對此深感欣慰。本集團將繼續專注於品牌建設及改善經營，並深信該等措施將有助台灣成為本集團之主要銷售額及溢利動力來源。本集團計劃於二零零五年增開八間店舖。

4. 新加坡

二零零五年，管理層將專注於兩方面。首先，透過改善物流運作增加Giordano主系列之銷售額及溢利。另一方面是在烏節路Giordano Ladies店舖之成功基礎上，於二零零五年再增設兩間新門市。

2. Hong Kong

In Hong Kong, the economic recovery gathered pace significantly in the second half of 2004, driven mainly by gains in the property and stock markets. Consumer sentiment also revived on the heels of increased tourist arrivals, especially Mainland Chinese tourists under the relaxed individual travel scheme. Tourism will get another big boost when Disneyland Hong Kong opens in September. On the other hand, the economic recovery has brought increased cost pressure, especially in rentals. The Group is to a certain extent insulated from such pressures because its two flagship stores are both on long term leases. Nevertheless, Management will remain vigilant in controlling operating costs. We have just completed the renovation of our Tsimshatsui flagship and plan to add seven new stores in 2005.

3. Taiwan

Management is pleased to see that its marketing and internal re-engineering efforts bore fruit so that Taiwan saw strong sales and profits growth in 2004. We will continue to focus on branding efforts and improving operations and are confident that such measures will help make Taiwan a key sales and profits driver for the Group. We plan to add eight new stores in 2005.

4. Singapore

Management will focus on two areas in 2005. The first is to grow Giordano core line sales and profits through improving its logistics. The second is to build on the success of the Orchard Road Giordano Ladies store by adding two new locations in 2005.

5. 韓國

儘管早前有跡象顯示韓國經濟似乎已走出谷底，但韓國的經濟展望仍未明朗。二零零五年，管理層將側重於鞏固本集團在產品質量、定價政策、成本控制及銷售及存貨管理方面所取得之成效。此舉應能令本集團充份把握當地經濟持續復蘇之最大機遇。

6. 日本

管理層將於日本保持原有之發展方向，在關西地區已建立之基礎上繼續發展。二零零五年，本集團計劃開設合共十間新門市，而於二零零四年最後一季達至收支平衡後，本集團今年致力將日本之業務轉虧為盈。

5. Korea

The outlook for the Korean economy is still unclear though early signs seem to indicate that the worst is finally over. Management's focus in 2005 is to consolidate the gains we achieved in the areas of product quality, pricing discipline, cost controls and sales and inventory management. This should position us to take maximum advantage of a sustained economic recovery there.

6. Japan

Management will stay the course in Japan and build on the base we have established in Kansai. A total of ten new stores are planned for 2005 and, after achieving breakeven in the last quarter of 2004, we aim to turn a profit in Japan this year.