

GIORDANO

GIORDANO INTERNATIONAL LIMITED

佐丹奴國際有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 709)

INTERIM REPORT 2006
二 零 零 六 年 中 期 報 告

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財 務 摘 要		FINANCIAL HIGHLIGHTS	
		截至六月三十日止六個月	
		Six months ended June 30	
		2006	2005
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
經營業績	OPERATING RESULTS		
營業額 (港幣百萬元)	Turnover (HK\$ millions)	2,021	2,152
經營溢利 (港幣百萬元)	Operating profit (HK\$ millions)	184	246
股東應佔溢利 (港幣百萬元)	Profit attributable to shareholders (HK\$ millions)	151	187
每股資料	PER SHARE DATA		
每股盈利 - 基本 (港仙)	Earnings per share - Basic (HK cents)	10.1	12.8
每股中期股息 (港仙)	Interim dividend per share (HK cents)	4.5	4.5
每股特別中期股息 (港仙)	Special interim dividend per share (HK cents)	2.0	2.0
財務比率	FINANCIAL RATIOS		
存貨對銷售之流轉比率 (日數)	Inventory turnover on sales (days)	34	30
平均資產總額回報率 (附註1)	Return on average total assets (note 1)	5.4%	7.4%
平均股東資金回報率 (附註2)	Return on average shareholders' funds (note 2)	7.3%	9.5%
銷售回報率 (附註3)	Return on sales (note 3)	7.6%	9.4%
附註：	Notes:		
1. 除稅後溢利除以平均資產總額	1. Profit after taxation divided by average total assets		
2. 本公司股東應佔溢利除以 平均股東資金	2. Profit attributable to shareholders of the Company divided by average shareholders' funds		
3. 除稅後溢利除以銷售	3. Profit after taxation divided by sales		

未經審核中期業績

佐丹奴國際有限公司(「本公司」)董事會欣然宣布本公司及其附屬公司(「本集團」)截至二零零六年六月三十日止六個月未經審核之中期業績，連同去年之比較數字及經選擇說明附註如下：

簡明綜合損益表

(除每股盈利外， 以港幣百萬元為單位)	(In HK\$ millions, except earnings per share)	附註 Note	截至六月三十日止六個月 Six months ended June 30	
			2006 (未經審核) (Unaudited)	2005 (未經審核) (Unaudited)
營業額	Turnover	2	2,021	2,152
銷售成本	Cost of sales		(1,000)	(1,056)
毛利	Gross profit		1,021	1,096
其他收益	Other revenue		53	45
分銷、行政及 其他經營費用	Distribution, administrative and other operating expenses		(890)	(895)
經營溢利	Operating profit	2, 3	184	246
融資費用	Finance expense	4	(1)	–
應佔共同控制公司溢利	Share of profit of jointly controlled companies		4	10
應佔一聯營公司溢利	Share of profit of an associate		5	5
除稅前溢利	Profit before taxation		192	261
稅項	Taxation	5	(38)	(58)
除稅後溢利	Profit after taxation		154	203
應佔溢利：	Profit attributable to:			
本公司股東	Shareholders of the Company		151	187
少數股東	Minority interests		3	16
			154	203
股息	Dividends	6(a)	97	97
每股盈利	Earnings per share	7		
基本	Basic		10.1¢	12.8¢
攤薄	Diluted		10.1¢	12.7¢

簡明綜合資產負債表

CONDENSED CONSOLIDATED BALANCE SHEET

		六月三十日 June 30 2006 (未經審核) (Unaudited)	十二月三十一日 December 31 2005 (經審核) (Audited)
(以港幣百萬元為單位)	(In HK\$ millions)		
	附註 Note		
資產	ASSETS		
非流動資產	Non-current assets		
物業、機器及設備	Property, plant and equipment	8 249	256
投資物業	Investment property	9 87	88
共同控制公司權益	Interest in jointly controlled companies	335	316
一聯營公司權益	Interest in an associate	28	30
租賃土地及租金預付款項	Leasehold land and rental prepayments	10 311	313
租賃按金	Rental deposits	256	251
遞延稅項資產	Deferred tax assets	14 27	24
		1,293	1,278
流動資產	Current assets		
存貨	Inventories	375	369
租賃土地及租金預付款項	Leasehold land and rental prepayments	10 14	13
應收賬款及其他應收款	Trade and other receivables	11 388	407
現金及銀行結存	Cash and bank balances	15 678	903
		1,455	1,692
資產總額	Total assets	2,748	2,970
權益及負債	EQUITY AND LIABILITIES		
股本及儲備	Capital and reserves		
股本	Share capital	12 74	74
儲備	Reserves	1,830	1,750
擬派股息	Proposed dividends	6 97	298
本公司股東應佔權益	Equity attributable to shareholders of the Company	2,001	2,122
少數股東權益	Minority interests	93	93
權益總額	Total equity	2,094	2,215
非流動負債	Non-current liabilities		
遞延稅項負債	Deferred tax liabilities	14 99	92
流動負債	Current liabilities		
應付賬款及其他應付款	Trade and other payables	13 437	515
銀行貸款	Bank loans	15 72	76
稅項	Taxation	46	72
		555	663
負債總額	Total liabilities	654	755
權益及負債總額	Total equity and liabilities	2,748	2,970

簡明綜合現金流量表

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		截至六月三十日止六個月	
		Six months ended June 30	
		2006	2005
		(未經審核)	(未經審核)
(以港幣百萬元為單位)	(In HK\$ millions)	(Unaudited)	(Unaudited)
經營業務之現金流入淨額	Net cash inflow from operating activities	106	148
投資業務之現金流出淨額	Net cash outflow from investing activities	(36)	(27)
融資業務之現金流出淨額	Net cash outflow from financing activities	(301)	(160)
現金及現金等值之減少	Decrease in cash and cash equivalents	(231)	(39)
於一月一日之現金及現金等值結存	Cash and cash equivalents at January 1	824	686
外幣匯率變動之影響	Effect of foreign exchange rate changes	11	(2)
於六月三十日之現金及現金等值結存	Cash and cash equivalents at June 30	604	645

附註
Note

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簡明綜合權益變動表 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		本公司股東應佔權益 Attributable to shareholders of the Company										
		股本	繳入盈餘	資本 贖回儲備	股份溢價	滙兌儲備	購股權 儲備	其他儲備	滾存溢利	合計	少數股東 權益	權益總額
(未經審核)	(以港幣百萬元為單位)	Share	Contributed	Capital	Share	Exchange	Share	Other	Retained	Total	Minority	Total
(Unaudited)	(In HK\$ millions)	capital	surplus	redemption	premium	reserve	options	reserves	profits		interests	equity
於二零零六年一月一日		74	383	3	602	(30)	10	119	961	2,122	93	2,215
At January 1, 2006												
海外附屬公司及分公司換算之滙兌調整 直接於權益中確認		-	-	-	-	23	-	-	-	23	-	23
Exchange adjustment on translation of overseas subsidiaries and branches recognized directly in equity												
期內溢利		-	-	-	-	-	-	-	151	151	3	154
Profit for the period												
確認收益總額		-	-	-	-	23	-	-	151	174	3	177
Total recognized gain												
購股權計劃		-	-	-	2	-	-	-	-	2	-	2
Share option scheme												
- 因行使購股權而發行之股份		-	-	-	2	-	-	-	-	2	-	2
- Shares issue upon exercise of share options												
- 購股權費用		-	-	-	-	-	1	-	-	1	-	1
- Share option expense												
少數股東股息		-	-	-	-	-	-	-	-	-	(3)	(3)
Dividends to minority shareholders												
二零零五年末期及特別股息 (附註 6(b))		-	-	-	-	-	-	-	(298)	(298)	-	(298)
2005 final and special dividends (note 6(b))												
		-	-	-	2	-	1	-	(298)	(295)	(3)	(298)
於二零零六年六月三十日		74	383	3	604	(7)	11	119	814	2,001	93	2,094
At June 30, 2006												

二零零五年之對比數字如下： The comparative figures for 2005 are set out as follows:

		本公司股東應佔權益 Attributable to shareholders of the Company										
		股本	繳入盈餘	資本 贖回儲備	股份溢價	滙兌儲備	購股權 儲備	其他儲備	滾存溢利	合計	少數股東 權益	權益總額
(未經審核)	(以港幣百萬元為單位)	Share	Contributed	Capital	Share	Exchange	Share	Other	Retained	Total	Minority	Total
(Unaudited)	(In HK\$ millions)	capital	surplus	redemption	premium	reserve	options	reserves	profits		interests	equity
於二零零五年一月一日		73	383	3	489	(32)	7	118	913	1,954	79	2,033
At January 1, 2005												
海外附屬公司及分公司換算之滙兌調整 直接於權益中確認		-	-	-	-	8	-	-	-	8	(1)	7
Exchange adjustment on translation of overseas subsidiaries and branches recognized directly in equity												
期內溢利		-	-	-	-	-	-	-	187	187	16	203
Profit for the period												
確認收益總額		-	-	-	-	8	-	-	187	195	15	210
Total recognized gain												
購股權計劃												
Share option schemes												
- 因行使購股權而發行之股份												
- Shares issue upon exercise of share options		1	-	-	109	-	-	-	-	110	-	110
- 購股權費用												
- Share option expense		-	-	-	-	-	2	-	-	2	-	2
少數股東股息												
Dividends to minority shareholders		-	-	-	-	-	-	-	-	-	(10)	(10)
二零零四年末期及特別股息 (附註 6(b))												
2004 final and special dividends (note 6(b))		-	-	-	-	-	-	-	(260)	(260)	-	(260)
		1	-	-	109	-	2	-	(260)	(148)	(10)	(158)
於二零零五年六月三十日		74	383	3	598	(24)	9	118	840	2,001	84	2,085
At June 30, 2005												

簡明財務報表附註

1. 編製基準

此未經審核之簡明綜合中期財務報表乃按照香港會計師公會頒布之香港會計準則（「HKAS」）34「中期財務報告」及其他相關之HKAS及詮釋和香港財務報告準則（「HKFRS」）以及香港聯合交易所有限公司證券上市規則附錄十六之適用要求而編製。

此簡明中期財務報表須與二零零五年年度財務報表一併閱讀。

除了採納以下於二零零六年一月一日或以後生效之新增及經修訂之HKAS及HKFRS，編製此簡明中期財務報表所採用之會計政策及計算方法與截至二零零五年十二月三十一日止年度之財務報表所用相同：

HKAS 39 修訂	公平值選擇
HKAS 39 及 HKFRS 4 修訂	財務擔保合約
HKFRS 詮釋4	釐定安排是否 包含租賃

採納以上新增及經修訂之會計準則對本集團之資產負債表及損益表並無重大影響。

就若干與本集團業務相關而必須於本集團二零零七年一月一日或以後之會計年度採用之新增準則和現有準則之修訂及詮釋已經頒布；本集團並未於截至二零零六年六月三十日止期間的財務報表內提早採納該等新增準則、修訂及詮釋。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” and other relevant HKASs and Interpretations, the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants, and the applicable requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

These condensed interim financial statements should be read in conjunction with the 2005 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the annual financial statements for the year ended December 31, 2005 except for the adoption of new and revised HKASs and HKFRSs which are effective for accounting periods beginning on or after January 1, 2006 as set out below:

HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS Interpretation 4	Determining whether an Arrangement contains a Lease

The adoption of the above new and revised accounting standards has no material impact on the Group's balance sheet and profit and loss account.

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Group's business and are mandatory for the Group's accounting periods beginning on or after January 1, 2007 or later periods. The Group has not early adopted these new standards, amendments and interpretations for the period ended June 30, 2006.

2. 營業額及分部資料

按照業務分部劃分，本集團之營業額及經營溢利之分析如下：

(以港幣百萬元為單位) (In HK\$ millions)		截至六月三十日止六個月 Six months ended June 30			
		2006		2005	
		營業額 Turnover	經營溢利 Operating profit	營業額 Turnover	經營溢利 Operating profit
零售及分銷	Retail and distribution	1,869	164	1,953	214
成衣貿易及製造	Garment trading and manufacturing	480	20	520	32
減：分部間銷售	Less: Inter-segment sales	(328)	—	(321)	—
		2,021	184	2,152	246

按照地區分部劃分，本集團之營業額如下：

(以港幣百萬元為單位) (In HK\$ millions)		截至六月三十日止六個月 Six months ended June 30	
		2006	2005
中國大陸	Mainland China	496	474
香港	Hong Kong	451	462
台灣	Taiwan	346	391
新加坡	Singapore	192	208
澳洲	Australia	110	112
日本	Japan	63	96
韓國	Korea	91	90
其他	Others	272	319
		2,021	2,152

3. 經營溢利

經營溢利已扣除/(計入)下列各項：

(以港幣百萬元為單位) (In HK\$ millions)		截至六月三十日止六個月 Six months ended June 30	
		2006	2005
租賃土地預付款項攤銷	Amortization of leasehold land prepayments	4	4
物業、機器及設備折舊	Depreciation of property, plant and equipment	53	58
投資物業折舊	Depreciation of investment property	1	1
遠期外匯合約公平值之收益	Fair value gain on forward foreign exchange contracts	—	(1)
出售物業、機器及設備之淨虧損	Net loss on disposal of property, plant and equipment	1	—
陳舊存貨準備及存貨撇銷/(撥回)	Provision for obsolete stock and stock write-off/(write-back)	10	(1)

2. Turnover and segment information

An analysis of the Group's turnover and operating profit by business segments is as follows:

(以港幣百萬元為單位) (In HK\$ millions)		截至六月三十日止六個月 Six months ended June 30			
		2006		2005	
		營業額 Turnover	經營溢利 Operating profit	營業額 Turnover	經營溢利 Operating profit
零售及分銷	Retail and distribution	1,869	164	1,953	214
成衣貿易及製造	Garment trading and manufacturing	480	20	520	32
減：分部間銷售	Less: Inter-segment sales	(328)	—	(321)	—
		2,021	184	2,152	246

The geographical segments of the Group's turnover are as follows:

(以港幣百萬元為單位) (In HK\$ millions)		截至六月三十日止六個月 Six months ended June 30	
		2006	2005
中國大陸	Mainland China	496	474
香港	Hong Kong	451	462
台灣	Taiwan	346	391
新加坡	Singapore	192	208
澳洲	Australia	110	112
日本	Japan	63	96
韓國	Korea	91	90
其他	Others	272	319
		2,021	2,152

3. Operating profit

The operating profit is stated after charging/(crediting):

(以港幣百萬元為單位) (In HK\$ millions)		截至六月三十日止六個月 Six months ended June 30	
		2006	2005
租賃土地預付款項攤銷	Amortization of leasehold land prepayments	4	4
物業、機器及設備折舊	Depreciation of property, plant and equipment	53	58
投資物業折舊	Depreciation of investment property	1	1
遠期外匯合約公平值之收益	Fair value gain on forward foreign exchange contracts	—	(1)
出售物業、機器及設備之淨虧損	Net loss on disposal of property, plant and equipment	1	—
陳舊存貨準備及存貨撇銷/(撥回)	Provision for obsolete stock and stock write-off/(write-back)	10	(1)

4. 融資費用

4. Finance expense

(以港幣百萬元為單位)	(In HK\$ millions)	截至六月三十日止六個月 Six months ended June 30	
		2006	2005
銀行貸款利息	Interest on bank loans	1	-

5. 稅項

5. Taxation

香港利得稅截至二零零六年六月三十日止六個月之估計應課稅溢利按百分之十七點五(二零零五年:百分之十七點五)之稅率計算。海外稅項乃按個別司法地區適用之稅率計算。

Hong Kong profits tax is calculated at the rate of 17.5 percent (2005: 17.5 percent) on the estimated assessable profits for the six months ended June 30, 2006. Overseas taxation is calculated at the rates applicable in the respective jurisdictions.

(以港幣百萬元為單位)	(In HK\$ millions)	截至六月三十日止六個月 Six months ended June 30	
		2006	2005
公司及附屬公司:	Company and subsidiaries:		
所得稅項	Income tax		
本期間所得稅項	Current income tax		
- 香港利得稅	- Hong Kong profits tax	11	15
- 海外稅項	- Overseas taxation	23	40
過往期間準備剩餘	Over provision in previous period		
- 香港利得稅	- Hong Kong profits tax	(1)	(2)
- 海外稅項	- Overseas taxation	(1)	(1)
		<u>32</u>	<u>52</u>
扣繳稅項	Withholding tax	4	4
遞延稅項	Deferred tax		
關於短暫性差異 之衍生及撥回	Relating to the origination and reversal of temporary differences	2	2
稅項支出	Taxation charge	<u>38</u>	<u>58</u>

截至二零零六年六月三十日止六個月之應佔共同控制公司之香港及海外稅項分別為港幣一百萬元(二零零五年:港幣一百萬元)及港幣一百萬元(二零零五年:港幣三百萬元)已包括在應佔共同控制公司溢利之內。

Share of jointly controlled companies' Hong Kong and overseas taxation for the six months ended June 30, 2006 of HK\$1 million (2005: HK\$1 million) and HK\$1 million (2005: HK\$3 million) respectively are included in the share of profit of jointly controlled companies.

截至二零零六年及二零零五年六月三十日止六個月, 聯營公司賬目內並無稅項準備。

No profits tax provision has been made in the accounts of an associate for the six months ended June 30, 2006 and 2005.

本集團現正與台灣稅局申辯有關本集團在台灣之若干銷售之稅項處理。預期此申辯不會對本集團之財務狀況有重大影響。

The Group has a dispute with the tax authority in Taiwan with respect to tax treatment on certain of the Group's sales in Taiwan. The dispute is not expected to have any material impact on the financial position of the Group.

6. 股息

(a) 本期內中期股息：

(以港幣百萬元為單位)

於結算日後宣布
之中期股息
每股港幣四點五仙
(二零零五年：每股港幣四點五仙)

於結算日後宣布
之特別中期股息
每股港幣二仙
(二零零五年：每股港幣二仙)

於二零零六年八月二十四日舉行之董事會會議上，董事宣布派發中期及特別中期股息分別為每股港幣四點五仙及港幣二仙。此項股息在結算當日並無確認為負債。

(b) 屬於上一年度，並於本期內通過及支付的股息：

(以港幣百萬元為單位)

已批准及派發之二零零五年末期股息
每股港幣五仙
(二零零四年：每股港幣四點五仙)

已批准及派發之二零零五年
特別末期股息
每股港幣一角五仙
(二零零四年：每股港幣一角三仙)

6. Dividends

(a) Interim dividends attributable to the period:

(In HK\$ millions)

Interim dividend declared
after balance sheet date
of 4.5 HK cents
(2005: 4.5 HK cents) per share

Special interim dividend declared
after balance sheet date
of 2.0 HK cents
(2005: 2.0 HK cents) per share

At the board meeting held on August 24, 2006, the directors declared interim and special interim dividends of 4.5 HK cents and 2.0 HK cents per share respectively. These dividends are not recognized as a liability at the balance sheet date.

(b) Dividends attributable to the previous year, approved and paid during the period:

(In HK\$ millions)

2005 final dividend approved
and paid of 5.0 HK cents
(2004: 4.5 HK cents) per share

2005 special final dividend
approved and paid
of 15.0 HK cents
(2004: 13.0 HK cents) per share

截至六月三十日止六個月
Six months ended June 30

2006 2005

67 67

30 30

97 97

截至六月三十日止六個月
Six months ended June 30

2006 2005

75 67

223 193

298 260

7. 每股盈利

每股基本及攤薄盈利乃按期內股東應佔綜合溢利港幣一億五千一百萬元(二零零五年：港幣一億八千七百萬元)計算。

每股基本盈利乃按截至二零零六年六月三十日止六個月內已發行股份之加權平均股數十四億八千九百八十萬九千八百股(二零零五年：十四億六千五百三十四萬一千九百二十七股)計算。

每股攤薄盈利乃按截至二零零六年六月三十日止六個月內已發行股份之加權平均股數十四億八千九百八十萬九千八百股(二零零五年：十四億六千五百三十四萬一千九百二十七股)加上假設根據本公司購股權計劃授出之所有未行使購股權皆已行使而發行之股份之加權平均股數一百九十一萬五千三百六十六股(二零零五年：六百四十五萬零四百一十七股)計算。

7. Earnings per share

The calculations of basic and diluted earnings per share are based on the consolidated profit attributable to shareholders for the period of HK\$151 million (2005: HK\$187 million).

The basic earnings per share is based on the weighted average of 1,489,809,800 shares (2005: 1,465,341,927 shares) in issue during the six months ended June 30, 2006.

The diluted earnings per share is based on 1,489,809,800 shares (2005: 1,465,341,927 shares) which is the weighted average number of shares in issue during the six months ended June 30, 2006 plus the weighted average of 1,915,366 shares (2005: 6,450,417 shares) deemed to be issued if all outstanding share options granted under the share option scheme of the Company had been exercised.

8. 物業、機器及設備**8. Property, plant and equipment**

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
期初之賬面淨值	Opening net book value	256	346
換算差額	Translation difference	3	(4)
添置	Additions	45	120
出售	Disposals	(2)	(3)
重新分類至投資物業	Reclassified to investment property	-	(90)
折舊	Depreciation	(53)	(113)
期末之賬面淨值	Closing net book value	249	256

9. 投資物業

9. Investment property

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
期初之賬面淨值	Opening net book value	88	-
從自用物業並 重新分類	Reclassified from owner-occupied property	-	90
折舊	Depreciation	(1)	(2)
期末之賬面淨值	Closing net book value	87	88

本集團持有一物業作長期收租及非由本集團全部佔用作生產或辦公室用途。於二零零五年內，該物業由樓宇重新分類至投資物業。

The Group has a property which is held for long-term rental yields and not wholly occupied by the Group for use in the production or office purposes. In 2005, such property was reclassified from buildings to investment property.

10. 租賃土地及租金預付款項

10. Leasehold land and rental prepayments

(以港幣百萬元為單位) (In HK\$ millions)		租賃土地 預付款項 Leasehold land prepayments 2006	租金 預付款項 Rental prepayments 2006	合計 Total 六月三十日 June 30 2006	十二月三十一日 December 31 2005
期初之賬面淨值	Opening net book value	250	76	326	342
換算差額	Translation difference	1	1	2	2
添置	Additions	-	4	4	-
出售	Disposals	-	-	-	(5)
攤銷	Amortization	(4)	(3)	(7)	(13)
期末之賬面淨值	Closing net book value	247	78	325	326
短期部分	Current portion	(8)	(6)	(14)	(13)
長期部分	Long-term portion	239	72	311	313

11. 應收賬款及其他應收款

11. Trade and other receivables

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
應收賬款	Trade receivables	230	273
減：減值撥備	Less: Provision for impairment	(10)	(10)
應收賬款淨值	Trade receivables – net	220	263
其他應收款、訂金 及預付款項	Other receivables, deposits and prepayments	168	144
		388	407

除現金及信用卡銷售外，本集團在正常情況下給予其貿易客戶平均六十日信貸期。

Other than cash and credit card sales, the Group normally allows an average credit period of 60 days to its trade customers.

以下為應收賬款之賬齡分析：

The ageing analysis of trade receivables is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
零至三十日	0 - 30 days	131	202
三十一至六十日	31 - 60 days	54	36
六十一至九十日	61 - 90 days	13	14
逾九十日	Over 90 days	22	11
		220	263

12. 股本

12. Share capital

(除股份數目外， 以港幣百萬元為單位)	(In HK\$ millions, except number of shares)	股份數目 Number of shares	股本 Share capital
於二零零六年一月一日	At January 1, 2006	1,489,630,518	74
因行使購股權而 發行之股份	Issue of shares pursuant to exercise of share options	632,000	–
於二零零六年六月三十日	At June 30, 2006	1,490,262,518	74

於期內，本公司無授出可認購本公司股份之購股權予任何人士。於期內，尚未行使之購股權數目變動載列於第三十三至三十五頁標題為「購股權資料」之內。

During the period, the Company has not granted any options to subscribe for share of the Company. Movements in the number of the outstanding share options during the period is set out on pages 33 to 35 under the heading of "Share Option Information".

於二零零六年六月三十日，一共同控制公司持有本公司一百八十萬股普通股股份（二零零五年十二月三十一日：一百八十萬股）。

At June 30, 2006, 1,800,000 ordinary shares (December 31, 2005: 1,800,000 shares) were held by a jointly controlled company.

13. 應付賬款及其他應付款

13. Trade and other payables

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
應付賬款	Trade payables	196	246
其他應付款及 應付費用	Other payables and accrued expenses	241	269
		437	515

以下為應付賬款之賬齡分析：

The ageing analysis of trade payables is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
零至三十日	0 - 30 days	149	192
三十一至六十日	31 - 60 days	27	40
六十一至九十日	61 - 90 days	9	8
逾九十日	Over 90 days	11	6
		196	246

14. 遞延稅項

14. Deferred taxation

遞延稅項採用負債法就短暫性差異按基本稅率百分之十七點五(二零零五年：百分之十七點五)作全數撥備。

Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2005: 17.5%).

本集團於期內的遞延稅項資產及負債之變動(在同一徵稅地區之結餘抵銷前)如下：

The movement in the Group's deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the period is as follows:

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
期初結餘	Opening balance	68	71
換算差額	Translation difference	4	-
於損益表中列支	Charged to profit and loss account	2	-
於權益中計入	Credited to equity	-	(1)
撥回扣繳稅項之 短暫性差異	Reversal of temporary difference on withholding tax	(2)	(2)
期末結餘	Closing balance	72	68

14. 遞延稅項(續)

淨遞延稅項結餘為港幣七千二百萬元(二零零五年十二月三十一日:港幣六千八百萬元)之分析如下:

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
遞延稅項資產	Deferred tax assets	(27)	(24)
遞延稅項負債	Deferred tax liabilities	99	92
		72	68

14. Deferred taxation (continued)

Net deferred tax balance of HK\$72 million (December 31, 2005: HK\$68 million) is analyzed as follows:

15. 現金及現金等值結存之分析

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	2005
現金及銀行結存	Cash and bank balances	678	727
減: 存款日起三個月以上 到期之銀行 定期存款	Deduct: Bank deposits with maturity over three months from date of deposits	(2)	(2)
		676	725
銀行貸款	Bank loans	(72)	(80)
現金及現金等值結存	Cash and cash equivalents	604	645

15. Analysis of balances of cash and cash equivalents**16. 資產總額扣除流動負債及淨流動資產**

本集團於二零零六年六月三十日及二零零五年十二月三十一日之資產總額扣除流動負債分別為港幣二十一億九千三百萬元及港幣二十三億零七百萬元。本集團於二零零六年六月三十日及二零零五年十二月三十一日之淨流動資產(即流動資產扣除流動負債)分別為港幣九億元及港幣十億二千九百萬元。

16. Total assets less current liabilities and net current assets

The Group's total assets less current liabilities amounted to HK\$2,193 million and HK\$2,307 million at June 30, 2006 and December 31, 2005 respectively. The Group's net current assets, defined as current assets less current liabilities, amounted to HK\$900 million and HK\$1,029 million at June 30, 2006 and December 31, 2005 respectively.

17. 承擔

(a) 經營租賃之承擔

- (i) 於二零零六年六月三十日，本集團就零售店舖、辦公室、工廠及貨倉之不可於未來撤銷之經營租賃的最低應付租賃費用如下：

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
一年內	Within one year	519	507
一年後但五年內	After one year but within five years	628	613
五年以上	Over five years	42	43
		1,189	1,163

- (ii) 於二零零六年六月三十日，本集團就零售店舖及工廠之不可於未來撤銷之經營租賃的最低應收租賃收入如下：

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
一年內	Within one year	27	25
一年後但五年內	After one year but within five years	15	26
		42	51

(b) 資本承擔

於二零零六年六月三十日，本集團有以下之資本承擔：

(以港幣百萬元為單位)	(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
已簽約但未撥備	Contracted but not provided for	4	-
已授權但未簽約	Authorized but not contracted for	5	-
		9	-

17. Commitments

(a) Commitments under operating leases

- (i) At June 30, 2006, the Group had future aggregate minimum lease charges payable under non-cancelable operating leases in respect of retail shops, office premises, factories and warehouses as set out below:

(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
Within one year	519	507
After one year but within five years	628	613
Over five years	42	43
	1,189	1,163

- (ii) At June 30, 2006, the Group had future aggregate minimum lease income receivable under non-cancelable operating leases in respect of retail shops and factories as set out below:

(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
Within one year	27	25
After one year but within five years	15	26
	42	51

(b) Capital commitments

At June 30, 2006, the Group had the following capital commitments:

(In HK\$ millions)	六月三十日 June 30 2006	十二月三十一日 December 31 2005
Contracted but not provided for	4	-
Authorized but not contracted for	5	-
	9	-

20. 重要關聯人士交易

於期內，若干附屬公司按一般及日常業務過程與共同控制公司及一聯營公司進行正常商業條款交易。有關該等交易詳述如下：

20. Material related parties transactions

During the period, certain subsidiaries traded with jointly controlled companies and an associate in the ordinary and usual course of business and on normal commercial terms. Details relating to these transactions are as follows:

		截至六月三十日止六個月 Six months ended June 30	
(以港幣百萬元為單位)	(In HK\$ millions)	2006	2005
銷售給：	Sales to:		
共同控制公司	jointly controlled companies	89	94
一聯營公司	an associate	64	61
		153	155
購貨自：	Purchases from:		
共同控制公司	jointly controlled companies	122	52
租金收入自：	Rental income from:		
一共同控制公司	a jointly controlled company	5	3
應收關聯公司款項：	Amounts due from these related parties are:		
		六月三十日	十二月三十一日
		June 30	December 31
(以港幣百萬元為單位)	(In HK\$ millions)	2006	2005
共同控制公司	Jointly controlled companies	19	17
一聯營公司	An associate	20	10
應收以上之共同控制公司及一聯營公司款項已反映在應收賬款及其它應收款。	The above amounts due from jointly controlled companies and an associate are reflected in trade and other receivables.		

管理層之論述及分析

本集團經營業績

營業額

二零零六年上半年錄得總營業額港幣二十億二千一百萬元(二零零五年：港幣二十一億五千二百萬元)，對比去年同期減少百分之六點一。

在一月及二月，大中華地區氣溫較正常和暖，天氣反常，拖累農曆新年期間之銷售，同時息率及燃油價格攀升亦打擊本集團東南亞市場之消費者信心及消費；可幸的是隨著春季新貨推出，第二季表現較為強勁，舒緩了冬季業績未如理想之影響。整體而言，上半年零售及分銷部門錄得營業額港幣十八億六千九百萬元(二零零五年：港幣十九億五千三百萬元)，對比去年同期下降百分之四點三，而首季則錄得跌幅百分之六點四。

同時，成衣業產能過剩令價格競爭異常激烈，令成衣貿易及製造部門之銷售額較去年同期下降百分之七點七至港幣四億八千萬(二零零五年：港幣五億二千萬元)。

毛利

本集團首季毛利率下跌至百分之四十八點一(二零零五年：百分之四十九點九)，但第二季大幅回升至百分之五十三，對比去年同期上升一個百分點。因此，本集團上半年整體毛利率為百分之五十點五(二零零五年：百分之五十點九)，而毛利亦下降百分之六點八至港幣十億二千一百萬元(二零零五年：港幣十億九千六百萬元)。零售及分銷部門和成衣貿易及製造部門均錄得較去年同期為低之毛利率；前者是由於和暖之冬季導致累積存貨，致令季末冬季服裝清貨之折扣有所增加，後者則是由於持續價格下調壓力。

經營費用

儘管租金成本仍然高企且持續上漲，不過所帶來之影響透過良好有效費用管理得以抵銷，本集團致力保持上半年經營費用處於穩定水平，為港幣八億九千萬元(二零零五年：港幣八億九千五百萬元)。

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF GROUP OPERATIONS

Turnover

Total first half 2006 turnover was HK\$2,021 million (2005: HK\$2,152 million), a 6.1 percent year-on-year decrease.

Warmer than normal temperatures and erratic weather patterns in Greater China in January and February slowed Chinese New Year sales while higher interest rates and fuel prices affected consumer confidence and spending in our Southeast Asian markets. However, stronger performance in the second quarter with new spring merchandise allayed the effects of a disappointing winter. For the first half as a whole, the Retail & Distribution Division recorded a turnover of HK\$1,869 million (2005: HK\$1,953 million), or a 4.3 percent year-on-year decrease compared to the 6.4 percent decline recorded in the first quarter.

Meanwhile, severe price competition arising from over capacity in the garment industry resulted in sales of the Garment Trading & Manufacturing Division decreasing by 7.7 percent year-on-year to HK\$480 million (2005: HK\$520 million).

Gross Profit

The Group's gross margins decreased to 48.1 percent in the first quarter (2005: 49.9 percent) but staged a strong recovery in the second quarter, coming in at 53.0 percent, up 1.0 percentage point compared to the same period last year. As a result, the Group's first half gross margins were 50.5 percent (2005: 50.9 percent), while gross profits saw a 6.8 percent reduction to HK\$1,021 million (2005: HK\$1,096 million). Both the Retail & Distribution Division and the Garment Trading & Manufacturing Division posted lower gross margins compared to the same period last year, the former as a result of an increase in season-end clearance discounts on inventories built up from a warmer winter while the latter because of continuing downward pricing pressure.

Operating Expenses

Although rental cost remained high and on the rise, the effect was offset by good, disciplined expense management and we managed to keep first half operating expenses steady at HK\$890 million (2005: HK\$895 million).

經營溢利及未計利息、稅項、折舊及攤銷費用之盈利 (EBITDA)

二零零六年上半年經營溢利較去年同期下跌百分之二十五點二至港幣一億八千四百萬元(二零零五年：港幣二億四千六百萬元)，而EBITDA下跌百分之二十二點九至港幣二億五千三百萬元(二零零五年：港幣三億二千八百萬元)。銷售額及毛利率於第二季上升，使經營溢利率由首季百分之五點六上升至上半年百分之九點一(二零零五年：百分之十一點四)。同樣，EBITDA之利潤率由首季百分之八點四上升至上半年百分之十二點五(二零零五年：百分之十五點二)。

股東應佔溢利

股東應佔溢利為港幣一億五千一百萬元，較二零零五年同期呈報之港幣一億八千七百萬元下跌百分之十九點三。由於韓國業務表現放緩，本集團應佔共同控制公司之溢利下跌百分之六十至港幣四百萬元(二零零五年：港幣一千萬元)。上半年中東聯營公司之溢利貢獻穩定，維持在港幣五百萬元之水平。

由於具較高企業所得稅率之市場對本集團溢利之貢獻下降，實際稅率下跌至百分之二十點八(二零零五年：百分之二十三點六)。

現金流量

上半年經營業務所得之現金淨額減少港幣四千二百萬元至港幣一億零六百萬元(二零零五年：港幣一億四千八百萬元)。投資業務支出之現金淨額為港幣三千六百萬元，較二零零五年同期增加港幣九百萬元。源自銀行之利息及自共同控制公司和聯營公司收取之股息共港幣二千三百萬元。於期內，資本開支為港幣四千五百萬元(二零零五年：港幣四千八百萬元)。

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

First half 2006 operating profit decreased 25.2 percent year-on-year to HK\$184 million (2005: HK\$246 million) while EBITDA decreased by 22.9 percent to HK\$253 million (2005: HK\$328 million). Sales and gross margin improvements in the second quarter resulted in operating margin improving from the 5.6 percent recorded in the first quarter to 9.1 percent for the first half (2005: 11.4 percent). Similarly, EBITDA margin improved from the 8.4 percent recorded in the first quarter to 12.5 percent recorded in the first half (2005: 15.2 percent).

Profit Attributable to Shareholders

Profit attributable to shareholders amounted to HK\$151 million, down 19.3 percent from the HK\$187 million reported for the same period in 2005. Due to the weaker performance of our Korean operations, our share of profits of jointly controlled companies was 60.0 percent lower at HK\$4 million (2005: HK\$10 million). First half profits contribution from our Middle East associated company remained steady at HK\$5 million.

The effective tax rate decreased to 20.8 percent (2005: 23.6 percent), a result of lower profit contribution from markets with higher corporate tax rates.

Cash Flows

Net cash generated from operating activities in the first half was HK\$42 million lower at HK\$106 million (2005: HK\$148 million). Net cash used for investing activities was HK\$36 million, an increase of HK\$9 million over the same period in 2005. Interest received from banks and dividends received from jointly controlled and associated companies amounted to HK\$23 million. Capital expenditure during the period was HK\$45 million (2005: HK\$48 million).

上半年融資業務支用之現金淨額為港幣三億零一百萬元(二零零五年：港幣一億六千萬)，較去年同期增加是由於向股東派付之股息上升了百分之十四點六至港幣二億九千八百萬元(二零零五年：港幣二億六千萬)，以及管理層行使購股權減少，致使因行使購股權而發行股份所集得之款項減少至港幣二百萬元(二零零五年：港幣一億一千萬元)。

流動現金及資金來源

於二零零六年六月三十日，現金及銀行結餘達港幣六億七千八百萬元(二零零五年十二月三十一日：港幣九億零三百萬元)，總負債為港幣六億五千四百萬元(二零零五年十二月三十一日：港幣七億五千五百萬元)，而股東應佔權益為港幣二十億零一百萬元(二零零五年十二月三十一日：港幣二十一億二千二百萬元)。

於二零零六年六月三十日，本集團之貿易融資及循環貸款額從二零零五年十二月三十一日之港幣三億八千九百萬元增加至港幣四億零四百萬元，其中港幣七千二百萬元之循環貸款已提取而尚未償還。本集團亦有銀行擔保之或然負債為港幣一千萬元(二零零五年十二月三十一日：港幣九百萬元)，所有或然負債乃於日常業務運作中產生。

業務回顧

零售及分銷部門

大中華地區天氣反常加上東南亞消費意欲疲弱，拖累首季銷售額。*Giordano* 主系列及 *Giordano Junior* 首季之營業額較去年同期下跌百分之七點三，但情況已於第二季有所改善，故上半年整體銷售額僅下跌百分之四點四至港幣十六億二千四百萬元(二零零五年：港幣十六億九千八百萬元)。第二季可比較門市之銷售額亦見好轉，對比首季百分之十點四之跌幅，上半年可比較門市之銷售額僅減少至百分之五點九。*Bluestar Exchange* 上半年之營業額亦相若下跌至港幣一億五千三百萬元，對比二零零五年同期之港幣一億七千一百萬元下跌百分之十點五，可比較門市之銷售額則下

In the first half, net cash used for financing activities was HK\$301 million (2005: HK\$160 million). The increase is attributable to dividends paid to shareholders increasing by 14.6 percent to HK\$298 million (2005: HK\$260 million) and a reduction in the exercise of management share options which caused the proceeds from the issue of shares arising from such exercise decreasing to HK\$2 million (2005: HK\$110 million).

Liquidity and Capital Resources

As at June 30, 2006, total cash and bank balances amounted to HK\$678 million (December 31, 2005: HK\$903 million), total liabilities were HK\$654 million (December 31, 2005: HK\$755 million) and shareholders' equity was HK\$2,001 million (December 31, 2005: HK\$2,122 million).

As at June 30, 2006, the Group had trade finance and revolving loan facilities amounting to HK\$404 million, up from HK\$389 million as at December 31, 2005, of which HK\$72 million under revolving loan facility had been drawn and was outstanding. The Group also had contingent liabilities on bank guarantees in the amount of HK\$10 million (December 31, 2005: HK\$9 million), incurred in the normal course of business.

OPERATIONS REVIEW

Retail & Distribution Division

Erratic weather patterns in Greater China and weak consumer sentiment in Southeast Asia slowed sales in the first quarter. Turnover of *Giordano core line* and *Giordano Junior* decreased 7.3 percent year-on-year in the first quarter but conditions improved in the second quarter so that sales for the first half as a whole only decreased by 4.4 percent to HK\$1,624 million (2005: HK\$1,698 million). Comparable store sales also improved in the second quarter so that first half comparable store sales decreased by 5.9 percent as compared to the 10.4 percent decrease experienced in the first quarter. *Bluestar Exchange* saw a similar decrease with first half turnover of HK\$153 million, 10.5 percent lower than the HK\$171 million recorded in the same period in 2005, while comparable store sales were down 6.1 percent. *Giordano Ladies* performed the best with turnover growing by 9.5 percent to HK\$92 million (2005: HK\$84 million) and comparable store sales up 6.4 percent in the

跌百分之六點一。*Giordano Ladies* 表現最為特出，於上半年營業額增長百分之九點五至港幣九千二百萬元（二零零五年：港幣八千四百萬元），可比較門市之銷售額則較去年同期增長百分之六點四。整體而言，二零零六年上半年零售及分銷部門之營業額較去年同期下跌百分之四點三至港幣十八億六千九百萬元（二零零五年：港幣十九億五千三百萬元），可比較門市之銷售額則較去年同期減少百分之五點三。上半年毛利率較去年同期減少零點七個百分點。經營溢利下降百分之二十三點四至港幣一億六千四百萬元（二零零五年：港幣二億一千四百萬元），而經營溢利率亦下跌二點二個百分點。

下表顯示本集團按地區劃分之零售及分銷營業額：

first half. Overall, first half 2006 Retail & Distribution Division turnover was 4.3 percent lower at HK\$1,869 million (2005: HK\$1,953 million) and comparable store sales were down 5.3 percent year-on-year. First half gross margins decreased by 0.7 percentage point year-on-year. Operating profit decreased 23.4 percent to HK\$164 million (2005: HK\$214 million) and operating margins were down 2.2 percentage points.

The following table shows the Group's Retail & Distribution turnover by region:

營業額 (以港幣百萬元為單位)	Turnover (in HK\$ millions)	截至六月三十日止六個月 Six months ended June 30		變動 Change
		二零零六年 2006	二零零五年 2005	
中國大陸	Mainland China	472	464	+1.7%
香港	Hong Kong	420	412	+1.9%
台灣	Taiwan	322	391	-17.6%
新加坡	Singapore	190	205	-7.3%
其他市場及分銷銷售額	Other Markets & Distribution Sales	465	481	-3.3%
合計	Total	1,869	1,953	-4.3%

中國大陸首季營業額下跌百分之二；第二季則躍升，較去年同期上升百分之六點一。整體而言，上半年營業額較去年同期增長百分之一點七至港幣四億七千二百萬元（二零零五年：港幣四億六千四百萬元），可比較門市之銷售額則增長百分之七點二。本集團繼續奉行一貫定價及減價原則，因而上半年錄得毛利率微升零點五個百分點。本集團不論於上海及北京等一線城市、或在二線城市均承受龐大加租壓力。本集團時刻審慎行事，不會盲目追求增長而損害利潤，因此暫緩了開店計劃，故期內僅在中國大陸增設八間門市。管理層預期市況將會穩定下來，待市況好轉時，即採取積極進取之擴充計劃，以下半年新增約二十間門市為目標。

After decreasing by 2.0 percent in the first quarter, turnover in Mainland China staged a strong recovery and grew by 6.1 percent year-on-year in the second quarter. Overall, first half turnover increased 1.7 percent year-on-year to HK\$472 million (2005: HK\$464 million) and comparable store sales increased by 7.2 percent. We maintained discipline on pricing and discounts and as a result achieved a 0.5 percentage point expansion in gross margin in the first half. We experienced significant upward rental pressure not just in first tier cities like Shanghai and Beijing but also in second tier cities as well. Always mindful not to sacrifice margins in pursuit of growth, we initiated a temporary slowdown of our store opening program and added a total of eight outlets in Mainland China during the period. We expect market conditions to stabilize and we will resume a more aggressive growth plan, as and when conditions improve, with a view to adding about 20 outlets in the second half.

香港首季表現比預期疲弱，營業額只較去年同期增長百分之一點四。不過第二季業績有所改善，營業額較去年同期上升百分之二點五。二零零六年首六個月整體而言，營業額較去年同期增長百分之一點九至港幣四億二千萬元（二零零五年：港幣四億一千二百萬元），而可比較門市之銷售額則增長百分之四點四。儘管租金升幅不如二零零五年同期般令人擔憂，情況仍然值得關注，本集團預計下半年租金升幅將會放緩，有助經營環境改善。

台灣市場首季營業額較去年同期收縮百分之二十五點六，是由於一月及二月天氣不穩，加上家庭入息增長停滯不前，及消費信貸緊縮加劇。經濟沉寂，加上出現政治性領導危機，繼續在第二季挑戰消費者信心和消費；尤幸台灣業務表現開始好轉，雖然改善幅度仍不及中港兩地市場顯著。二零零六年上半年整體而言，台灣零售銷售額下跌百分之十七點六至港幣三億二千二百萬元（二零零五年：港幣三億九千一百萬元），可比較門市之銷售額則較去年同期減少百分之十三點七。在嚴峻之市場環境下，部分實力較弱之競爭對手被迫縮減業務。本集團認為此乃未來增長之投資良機，並且著手擴充業務網絡，目標為於二零零六年下半年新增約十至二十間門市。

新加坡方面，不論是外地或亞洲品牌均紛紛進駐擴充，令市場競爭加劇；同時周邊國家消費意欲疲弱，拖累旅客消費。因此，上半年銷售額較去年同期下跌百分之七點三至港幣一億九千萬元（二零零五年：港幣二億零五百萬元），可比較門市之銷售額則減少百分之十五點七。本集團已加快在新加坡成立Giordano概念店，以義安城、濱海廣場及新達城之門市為主。本集團預計，Giordano之品牌形象及市場地位將可因此提升，增加復蘇之動力。

Hong Kong also had a weaker than expected first quarter, with turnover increasing by 1.4 percent year-on-year. However, our performance improved in the second quarter with turnover increasing by 2.5 percent year-on-year. Overall for the first six months of 2006, turnover increased by 1.9 percent year-on-year to HK\$420 million (2005: HK\$412 million) while comparable store sales increased by 4.4 percent. Though still a concern, rentals have been increasing at a less alarming rate compared to 2005 and we expect rental increases to begin easing in the second half, thus improving the operating environment.

Irregular weather patterns in January and February together with stagnant household income growth and a sharp consumer credit crunch caused Taiwan's first quarter turnover to shrink by 25.6 percent year on year. Lackluster economic performance combined with the political leadership crisis continued to challenge consumer confidence and spending in the second quarter. Nevertheless our performance began to improve though at a slower rate compared to that achieved by Mainland China and Hong Kong. For first half 2006 as a whole, Taiwan's retail sales decreased 17.6 percent to HK\$322 million (2005: HK\$391 million) and comparable store sales decreased 13.7 percent year-on-year. The tough market conditions have forced some of our weaker competitors to retrench their operations. We view this as a good opportunity to invest for future growth and have been pushing to expand our network, with plans to add about 10 to 20 outlets in the second half of 2006.

The proliferation of both foreign and Asian brands in Singapore intensified competition while weaker consumer sentiment in neighboring countries slowed tourist spending. As a result, first half sales decreased 7.3 percent year-on-year to HK\$190 million (2005: HK\$205 million) while comparable store sales were down 15.7 percent. We have accelerated the launch of Giordano Concept Stores in Singapore, targeting our key Ngee Ann City, Marina Square and Suntec City locations. We expect the initiative to enhance the Giordano's image and market position and give momentum to the nascent recovery.

息率及油價攀升削弱了消費者信心，影響本集團其他東南亞市場之銷售額。在馬來西亞，上半年銷售額下滑百分之十三點八至港幣五千六百萬元（二零零五年：港幣六千五百萬元）。同時，泰國上半年營業額亦告下跌，減少百分之二點三至港幣四千三百萬元（二零零五年：港幣四千四百萬元）。至於印尼，上半年銷售額受惠於新店開幕，對比去年同期有百分之十一點五之增長。本集團預計，下半年東南亞市場將會漸漸地復蘇。

澳洲上半年營業額較去年同期增長百分之五至港幣一億零五百萬元（二零零五年：港幣一億元）。日本方面，以當地幣值計算，上半年營業額較去年同期增長百分之五點五，但換算為港幣後則下跌百分之三點四至港幣二千八百萬元（二零零五年：港幣二千九百萬元）。不過更重要的是，上半年日本業務錄得輕微經營溢利。

鑑於韓國天氣反覆不穩，令首季銷售額較去年同期下跌百分之七點六，隨著第二季情況好轉，銷售額回升百分之五點八。整體而言，上半年南韓共同控制公司營業額大致平穩，為港幣四億七千四百萬元（二零零五年：港幣四億七千八百萬元），可比較門市之銷售額則下降百分之九點六。由於季末冬季服裝清貨之折扣增加，其對本集團之溢利貢獻由二零零五年上半年之港幣八百五十萬元下降至二零零六年上半年之港幣四十萬元。本集團結束了若干表現未如理想之門市，令門市數目於上半年減少十八間；但計劃於下半年增設約十至十五間新店。於二零零六年六月三十日，本集團持有南韓之共同控制公司百分之四十九點四之股權。

油價高企不下，令中東地區消費者信心繼續增強。因此，本集團聯營公司之營業額上升百分之十八點六至港幣一億七千二百萬元（二零零五年：港幣一億四千五百萬元）。本集團亦增設四間門市，令區內於二零零六年六月三十日之店舖總數達一百一十一間。然而，油價高企促使經濟蓬勃，但也令租金及員工成本大幅攀升，減低了本集團之經營及淨邊際利潤。因此，該中東聯營公司上半年對本集團之溢利貢獻只維持港幣五百萬元。在二零零六年六月三十日，本集團持有該中東聯營公司百分之二十之股權。

Weaker consumer confidence brought on by higher interest rates and fuel prices affected our sales in other Southeast Asian markets. In Malaysia, first half sales decreased 13.8 percent to HK\$56 million (2005: HK\$65 million). Meanwhile, Thailand saw first half turnover declining by 2.3 percent to HK\$43 million (2005: HK\$44 million). Only Indonesia posted first half sales increase by 11.5 percent year-on-year on the back of new store openings. We expect market conditions in Southeast Asia to slowly improve in the second half.

First half turnover in Australia grew by 5.0 percent year-on-year to HK\$105 million (2005: HK\$100 million). In Japan, first half turnover increased 5.5 percent year-on-year in local currency terms but turned into a 3.4 percent decrease upon translation to Hong Kong Dollars, coming in at HK\$28 million (2005: HK\$29 million). More significantly, our Japanese operations turned a small operating profit in the first half.

Unseasonable weather in Korea led to a 7.6 percent year-on-year decrease in first quarter sales. Conditions improved in the second quarter and sales saw a rebound, increasing by 5.8 percent. Overall, first half turnover of our South Korean jointly controlled company was essentially flat at HK\$474 million (2005: HK\$478 million) while comparable store sales were down 9.6 percent. As a result of higher season-end discounts to clear winter stocks, its contribution to Group profits decreased from HK\$8.5 million in the first half of 2005 to HK\$0.4 million in the first half of 2006. We closed a number of under-performing outlets and as a result the number of stores decreased by 18 in the first half. However, we are planning to step up new store openings to add about 10 to 15 outlets in the second half. At June 30, 2006, the Group held 49.4 percent in its South Korean jointly controlled company.

With the continued strength of oil prices, consumer confidence in the Middle East remained buoyant. As a result, turnover of our associated company grew by 18.6 percent to HK\$172 million (2005: HK\$145 million). We added four outlets to bring the total store count in the region to 111 as at June 30, 2006. However, high oil prices have also fueled an economic boom that resulted in a significant escalation in rental and staff costs, reducing our operating and net margins. As such, first half profits contribution from our Middle East associated company remained steady at HK\$5 million. At June 30, 2006, the Group held 20.0 percent in its Middle East associated company.

成衣貿易及製造部門

成衣貿易及製造部門之營業額(包括集團內部銷售)下降百分之七點七至港幣四億八千萬(二零零五年:港幣五億二千萬元)。成衣製造產能持續過剩,使價格競爭異常激烈,對第三者之銷售額亦相應下跌至港幣一億五千二百萬元(二零零五年:港幣一億九千九百萬元),對比去年同期減少百分之二十三點六。因此,對第三者之銷售額佔該部門銷售額之比例減少至百分之三十一點七(二零零五年:百分之三十八點三)。成衣貿易及製造部門佔本集團上半年商品訂單百分之三十一點二,與去年同期百分之三十一點三大致相若。毛利率下跌二點五個百分點,而經營溢利率亦較去年同期下跌二個百分點。因此,二零零六年上半年之經營溢利下跌百分之三十七點五至港幣二千萬元(二零零五年:港幣三千二百萬元)。該部門之溢利貢獻下降後佔本集團綜合經營溢利百分之十點九(二零零五年:百分之十三)。本集團已著手將部分製造業務從成本較高之廣東省搬遷至華北地區成本較低之山東省,預計將於二零零六年第四季完成搬遷,所節省成本將有助提升本集團競爭力。

人力資源

於二零零六年六月三十日,本集團約有一萬一千三百名僱員(二零零五年十二月三十一日:一萬一千名僱員)。為獎勵及保留優秀幹練管理層人才,本集團向若干高級行政人員提供優厚之花紅獎勵計劃;同時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。本集團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。

Garment Trading & Manufacturing Division

Turnover of the Garment Trading & Manufacturing Division, including intra-group sales, decreased 7.7 percent to HK\$480 million (2005: HK\$520 million). Severe price competition arising from persistent over capacity in garment manufacturing has led third-party sales to decrease by 23.6 percent year-on-year to HK\$152 million (2005: HK\$199 million). As a result, the proportion of third party sales decreased to 31.7 percent of divisional sales (2005: 38.3 percent). The Garment Trading & Manufacturing Division accounted for 31.2 percent of the Group's first half merchandise purchases, essentially unchanged from the 31.3 percent for the same period last year. Gross margin decreased by 2.5 percentage points while operating margin decreased by 2.0 percentage points compared to the same period last year. As a result, first half 2006 operating profit decreased 37.5 percent to HK\$20 million (2005: HK\$32 million). The reduced profit contribution from the division accounted for 10.9 percent of the Group's consolidated operating profit (2005: 13.0 percent). We have taken steps to relocate part of our manufacturing operations from high-cost Guangdong to lower cost Shandong in northern China. The relocation is expected to be completed in the fourth quarter of 2006 and the resultant cost savings will help enhance our competitiveness.

HUMAN RESOURCES

As at June 30, 2006, the Group had about 11,300 employees (December 31, 2005: 11,000 employees). Besides offering incentive bonus schemes to certain senior executives as a means to reward and retain a high calibre management team, the Group also provides competitive remuneration packages and goal-oriented bonuses to staff at various levels. Discretionary bonuses and share options may also be awarded to the eligible employees based on the Group's and the individual's performance.

展望

二零零六年初，本集團銳意進一步實行品牌分工策略，使第二季營業額及毛利率回升。店舖風格及商品推銷策略之有效調整、變改，對於建立及鞏固顧客關係來說極為重要。本集團對於本年度開拓了印度市場亦極感欣喜。

Giordano概念店計劃乃針對顧客群日趨多元化之需求而推出，致力使旗下品牌在競爭激烈之服裝市場中脫穎而出。概念店與其他Giordano店舖及*Bluestar Exchange*不同之處，在於挑選人流量高、引人注目之市區地段作為選址，櫥窗設計及店內面貌更為奪目，產品系列亦更具吸引力，並發售獨家設計及限量產品，展現Giordano最新「dressed-up casual」風格。

本集團目前在香港及中國大陸分別有五間及兩間概念店。鑑於表現超乎預期令人鼓舞，本集團決定加快開設概念店之步伐，並已在台灣及新加坡分別增設四間及三間概念店。管理層相信到了二零零八年，百分之十五之門市將轉成全新概念店之模式。傳統Giordano門市亦將革新產品推銷策略，在推銷簡約、輕便及物有所值之產品時令顧客更滿意。管理層相信在產品推銷上之努力革新將會提升品牌於市場之地位，並有助本集團更積極擴展Giordano全球網絡，每年增加至少一百間門市。

本集團旗下*Bluestar Exchange*正展開重塑品牌形象計劃，令色彩更簡約，為年青顧客創造更鮮明時尚之形象。這樣定位使*Bluestar Exchange*加快於大中華地區和其他新市場之發展，例如澳洲和印尼，以每年加添四十間門市之速度增長。

OUTLOOK

We intensified execution of our brand differentiation strategy to a higher level in early 2006 and this has been instrumental in the turnover and gross margin recovery achieved in the second quarter. Meaningful differentiation in both store ambience and merchandising is vital in establishing and deepening customer relationships. We are also extremely pleased at the inroads we have made in India this year.

The Giordano Concept Store program aims to satisfy the demands of an increasingly complex customer base and to differentiate our brand in an overcrowded apparel market. Our Concept Stores are also distinguished from our other Giordano stores and *Bluestar Exchange* by their location in high traffic, highly visible downtown sites and their more striking window displays and in-store presentations. The merchandise offering is also more appealing, featuring exclusive designs and limited editions that epitomize Giordano's updated "dressed-up casual" attitude.

We currently have five Concept Stores in Hong Kong and two in Mainland China. Better than expected performance has encouraged us to accelerate our roll-out plan and we have added four Concept Stores in Taiwan and three in Singapore. Management believes that 15 percent of all stores can be converted to the new Concept Store format by 2008. Regular Giordano stores are also being re-merchandised to spice up their basic, easy casual and value-oriented offerings. Management believes that the merchandising efforts will enhance the brand's market position and enable us to grow the Giordano global network more aggressively by at least 100 outlets a year.

Our *Bluestar Exchange* stores are undergoing a re-branding program as we pare down the color palette and create an edgier and more urban image for younger customers. This will position *Bluestar Exchange* for quicker growth going forward, both in Greater China and new markets such as Australia and Indonesia, at a rate of about 40 outlets a year.

本集團旗下 *Giordano Ladies* 建立穩固根基後，目前正積極在區內增設更多店舖。本集團上半年率先在上海新天地及新加坡萊佛士城開設新店，下半年將於北京、香港及台灣高雄合共增設四間門市，令二零零六年底 *Giordano Ladies* 店舖總數逾三十間。展望將來，本集團預計將加快擴展 *Giordano Ladies* 之網絡，每年開設約十間門市，其中半數開設於中國，尤其是在杭州等先進繁榮之二線城市，以及馬來西亞及泰國等新市場。

本集團深信各商品推銷及品牌建立措施將有助本集團旗下品牌在市場脫穎而出，鞏固競爭優勢。同時，本集團亦注意到不少競爭對手面對不同程度之困難，部分更不得不縮減業務。本集團預計情況於下半年仍會持續，並相信此乃未來增長之投資良機。因此，本集團計劃於下半年大幅加快開設新店之步伐，目標是將本集團網絡之店舖數目增加約五十至六十間，大部分將位於中國大陸。

本集團亦在印度成立首間店舖作為橋頭堡，新店位於清奈新建之 Chennai City Center 購物中心，自五月開業以來店面人流暢旺，銷售額強勁增長。初步取得之成功標誌著 *Giordano* 於印度之增長潛力無窮，本集團亦已加倍努力物色店址增設門市。本集團將於二零零六年底前在孟買開設兩間新店，並已確認另外九間新店之選址，新店將位於班加羅爾、清奈、海德拉巴、孟買及普納等大城市，將於二零零七年及二零零八年開業。本集團正向分別於二零零七年及二零零八年在印度開設最少十間店舖及二十間店舖之目標邁進。

本公司於二零零六年八月四日宣布，日本連鎖集團 Uniqlo 母公司 Fast Retailing Co., Ltd. 曾接觸本集團，洽談業務合併之可能性；惟至今並無提出要約，亦無表示作出要約之確實意圖，故董事會認為現階段不宜作出任何評論。

After having established a solid foundation for *Giordano Ladies*, we are now embarking on a more aggressive roll-out of new stores in the region. The first half saw new stores opening in Shanghai's Xintiandi and Singapore's Raffles City. The second half will see a total of four additional outlets in Beijing, Hong Kong and Kaohsiung in Taiwan, bringing the total number of *Giordano Ladies* stores to over 30 by the end of 2006. Going forward, we expect to grow the *Giordano Ladies* network at a faster rate of about ten outlets a year, with about half of the growth coming from China, especially prosperous and sophisticated second tier cities like Hangzhou, and new markets like Malaysia and Thailand.

We are confident that our various merchandising and branding initiatives will help differentiate our brands in the marketplace and strengthen our competitive position. Meanwhile, we note that many of our competitors have run into varying levels of difficulties, with some of them having to retrench their operations. We expect this retrenchment to continue apace in the second half and view this as an excellent opportunity to invest for future growth. As such, we plan to significantly increase the pace of new store openings in the second half, with a view to adding about 50 to 60 outlets to our network, with most of them in Mainland China.

We have also established a bridgehead in India and our first store, located in the new Chennai City Center shopping mall in Chennai, has seen strong traffic and sales growth since opening in May. The initial success highlights the excellent growth prospects that *Giordano* enjoys in India and we have intensified our efforts to secure additional store sites. We will open two stores in Mumbai before the end of 2006 and we have confirmed another nine locations in major cities such as Bangalore, Chennai, Hyderabad, Mumbai and Pune for opening in 2007 and 2008. We are on track of achieving our target of having at least ten stores in 2007 and 20 in 2008 in India.

As we announced on August 4, 2006, the Company received an approach from Fast Retailing Co., Ltd., parent of the Uniqlo chain in Japan, about the possibility of a business combination. However, as no offer has been made and no firm intention to make an offer has been indicated, the Board feels that it is inappropriate to give any comment at this time.

其他資料

股息

本公司董事會（「董事會」）宣布派發截至二零零六年十二月三十一日止年度之中期股息每股港幣四點五仙（二零零五年：每股港幣四點五仙）及特別中期股息每股港幣二仙（二零零五年：每股港幣二仙）。中期及特別中期股息約於二零零六年九月十五日（星期五）派發予於二零零六年九月十二日（星期二）名列於本公司股東名冊上之股東。

暫停辦理股份過戶登記

本公司將於二零零六年九月十一日（星期一）及二零零六年九月十二日（星期二）暫停辦理股份過戶登記手續。為確保享有派發之中期及特別中期股息，所有過戶文件連同相關股票最遲須於二零零六年九月八日（星期五）下午四時三十分前送達本公司於香港之股份過戶登記分處雅柏勤證券登記有限公司，地址為香港皇后大道東二十八號金鐘匯中心二十六樓，辦理登記手續。

董事之證券權益

於二零零六年六月三十日，本公司董事及行政總裁在本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份及債權證中擁有根據該條例第三百五十二條須予備存的登記冊所載或根據香港聯合交易所有限公司（「聯交所」）之上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司和聯交所任何權益及淡倉如下：

OTHER INFORMATION

Dividends

The board of directors (the "Board") of the Company declared an interim dividend of 4.5 HK cents (2005: 4.5 HK cents) per share and a special interim dividend of 2.0 HK cents (2005: 2.0 HK cents) per share for the year ending December 31, 2006 payable on or about Friday, September 15, 2006 to shareholders whose names appear on the register of members of the Company on Tuesday, September 12, 2006.

Closure of Register of Members

The register of members of the Company will be closed on Monday, September 11, 2006 and Tuesday, September 12, 2006, during which period no transfer of shares will be registered. In order to qualify for the interim and special interim dividends, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, September 8, 2006.

Interests of Directors in Securities

As at June 30, 2006, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO; or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

董事 Director	權益性質 Nature of interest	股份 實益權益 (附註) Beneficial interest in shares (Note)	非上市之相關 股份實益權益 (附註) Beneficial interest in unlisted underlying shares (Note)	總權益 百分率概約 Approximate aggregate percentage of interests
劉國權 LAU Kwok Kuen, Peter	個人 Personal	24,118,000	–	1.62%
馮永昌 FUNG Wing Cheong, Charles	個人 Personal	1,122,000	5,000,000	0.41%
馬灼安 MAH Chuck On, Bernard	個人 Personal	1,619,086	5,000,000	0.44%

附註：

擁有之股份及股本衍生工具之相關股份權益均為好倉。非上市之股本衍生工具之相關股份乃按本公司採納之購股權計劃而授予董事之購股權；有關資料載列於第三十三頁。

Note:

Interests in the shares and underlying shares of equity derivatives were long position. Unlisted underlying shares are share options granted to the directors pursuant to the share option scheme of the Company and details of which are set out on page 33.

除上述披露外，於二零零六年六月三十日，本公司董事及行政總裁概無在本公司或其相關法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有或被視作擁有根據該條例第三百五十二條須予備存的登記冊所載或根據標準守則須知會本公司和聯交所之任何權益或淡倉。此外，除上述披露外，本公司或其任何附屬公司於截至二零零六年六月三十日止六個月內概無訂立任何安排，令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

Save as disclosed above, as at June 30, 2006, none of the directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under section 352 of the SFO; or as notified to the Company and the Stock Exchange pursuant to the Model Code. Furthermore, save as disclosed above, at no time during the six months ended June 30, 2006 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東

於二零零六年六月三十日，根據證券及期貨條例第三百三十六條記錄於本公司存置之登記冊，下列人士(除本公司董事及行政總裁外)擁有本公司之百分之五或以上之股份或相關股份之權益或淡倉：

名稱 Name	附註 Note	好倉股份及 相關股份總數 Aggregate long position in shares and underlying shares	總權益 百分率概約 Approximate aggregate percentage of interests
Aberdeen Asset Management Plc and its associates	1	219,420,018	14.72%
Harris Associates L.P.	2	209,719,800	14.07%
Matthews International Capital Management, L.L.C.	3	134,937,000	9.05%
JPMorgan Chase & Co.	4	116,072,582	7.79%
State Street Corporation	5	94,708,792	6.36%
Emerging Markets Management, L.L.C.	6	74,692,000	5.01%

附註：

1. Aberdeen Asset Management Plc及其聯繫人以投資經理身份持有二億一千九百四十二萬零十八股股份。

由Aberdeen Asset Management Plc及其多間全資附屬公司(統稱「Aberdeen集團」)代表Aberdeen集團所管理的賬戶持有下列股份：

**附屬公司名稱
Name of subsidiary**

Aberdeen Asset Management Asia Limited	219,420,018
Aberdeen Asset Management Inc	1,764,000
Aberdeen Asset Management Limited	1,460,000
Aberdeen Asset Managers Limited	48,779,816
Aberdeen Fund Management Limited	27,724,808
Aberdeen International Fund Managers Limited	113,398,000
Aberdeen Unit Trust Managers Limited	39,107,816
Edinburgh Fund Management Limited	14,000,000

2. Harris Associates L.P.以投資經理身份持有二億零九百七十一萬九千八百股股份。
3. Matthews International Capital Management, L.L.C.以投資經理身份持有一億三千四百九十三萬七千股股份。
4. JPMorgan Chase & Co.所擁有一億一千六百零七萬二千五百八十二股股份之身份分別包括一百萬零四千股為實益擁有人、一千七百三十九萬五千六百九十三股為投資經理及九千七百六十七萬二千八百八十九股為法團保管人持有之可供借出的股份。

Substantial Shareholders

As at June 30, 2006, the following persons, other than directors and chief executive of the Company, having interests or short positions of 5 percent or more in the Company's shares or underlying shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

好倉股份及 相關股份總數 Aggregate long position in shares and underlying shares	總權益 百分率概約 Approximate aggregate percentage of interests
219,420,018	14.72%
209,719,800	14.07%
134,937,000	9.05%
116,072,582	7.79%
94,708,792	6.36%
74,692,000	5.01%

Notes:

1. Aberdeen Asset Management Plc and its associates held 219,420,018 shares in the capacity of Investment Manager.

Aberdeen Asset Management Plc and its various wholly-owned subsidiaries (together "the Aberdeen Group") on behalf of the accounts managed by the Aberdeen Group held shares in the Company as follows:

好倉股份總數 Aggregate long position in shares
219,420,018
1,764,000
1,460,000
48,779,816
27,724,808
113,398,000
39,107,816
14,000,000

2. Harris Associates L.P. held 209,719,800 shares in the capacity of Investment Manager.

3. Matthews International Capital Management, L.L.C. held 134,937,000 shares in the capacity of Investment Manager.

4. The capacities of JPMorgan Chase & Co. in holding the 116,072,582 shares were, as to 1,004,000 shares as Beneficial Owner, as to 17,395,693 shares as Investment Manager and as to 97,672,889 shares in the Lending Pool as Custodian Corporation.

由JPMorgan Chase & Co.所持有之一億一千六百零七萬二千五百八十二股股份之資料如下：

Details of the breakdown of the 116,072,582 shares interested by JPMorgan Chase & Co. were as follows:

名稱 Name	附註 Note	好倉股份總數 Aggregate long position in shares	總權益 百分率概約 Approximate aggregate percentage of interests
JPMorgan Chase Bank, N.A.	i	98,676,889	6.62%
JPMorgan Asset Management Holdings Inc.	ii	17,395,693	1.17%

附註：

Notes:

- i. JPMorgan Chase Bank, N.A.乃JPMorgan Chase & Co.之全資附屬公司，彼持有九千八百六十七萬六千八百八十九股股份，當中包括：
- (a) 九千七百六十七萬二千八百八十九股直接權益；及
- (b) 由J.P. Morgan Chase International Holdings Limited擁有百分之九十八點九五控股權之J.P. Morgan Securities Limited所持有之一百萬零四千股被視作擁有之權益。J.P. Morgan Chase International Holdings Limited依序乃由J.P. Morgan Chase (UK) Holdings Limited及J.P. Morgan Capital Holdings Limited全資擁有。J.P. Morgan International Finance Limited持有J.P. Morgan Capital Holdings Limited百分之七十二點七二之控股權益，並分別依序為Bank One International Holdings Corporation、J.P. Morgan International Inc. 及JPMorgan Chase Bank, N.A.之全資附屬公司。
- ii. JPMorgan Asset Management Holdings Inc.乃JPMorgan Chase & Co.之全資附屬公司，彼持有一千七百三十九萬五千六百九十三股股份，當中包括：
- (a) 由JPMorgan Asset Management Holdings Inc.之全資附屬公司JPMorgan Asset Management (Asia) Inc.所持有之一千七百三十六萬六千股股份之權益。此等權益包括：(aa) 由JPMorgan Asset Management (Asia) Inc.全資擁有之JF International Management Inc.直接持有的一百三十四萬六千股股份；及(bb) JPMorgan Asset Management (Asia) Inc.之全資擁有之JF Asset Management Limited直接持有的一千六百零二萬股股份；及
- i. The holding of 98,676,889 shares by JPMorgan Chase Bank, N.A., which was a wholly-owned subsidiary of JPMorgan Chase & Co., included:
- (a) direct interests in 97,672,889 shares; and
- (b) deemed interests in 1,004,000 shares held by its subsidiary, J.P. Morgan Securities Limited, in which J.P. Morgan Chase International Holdings Limited held 98.95 percent controlling interests. J.P. Morgan Chase International Holdings Limited was a subsidiary wholly-owned in turn by J.P. Morgan Chase (UK) Holdings Limited and J.P. Morgan Capital Holdings Limited respectively. J.P. Morgan International Finance Limited, a company held 72.72 percent controlling interests of J.P. Morgan Capital Holdings Limited, was a subsidiary wholly-owned in turn by Bank One International Holdings Corporation, J.P. Morgan International Inc. and JPMorgan Chase Bank, N.A. respectively.
- ii. The holding of 17,395,693 shares by JPMorgan Asset Management Holdings Inc., which was a wholly-owned subsidiary of JPMorgan Chase & Co., included:
- (a) deemed interests in 17,366,000 shares held by JPMorgan Asset Management (Asia) Inc., which was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc.. Of the 17,366,000 shares, (aa) 1,346,000 shares were directly held by JF International Management Inc., which was wholly-owned by JP Morgan Asset Management (Asia) Inc.; and (bb) 16,020,000 shares were directly held by JF Asset Management Limited, which was wholly-owned by JPMorgan Asset Management (Asia) Inc.; and

- (b) 由彼之全資附屬公司J.P. Morgan Investment Management Inc.持有的二萬九千六百九十三股股份。
- (b) deemed interests in 29,693 shares held by its wholly-owned subsidiary, J.P. Morgan Investment Management Inc..
5. State Street Corporation被視為擁有其全資附屬公司State Street Bank & Trust Company所持有的九千四百七十萬零八千七百九十二股股份之權益。彼是以控制法團身份持有該等可供借出之股份。
5. State Street Corporation had a deemed interest in respect of 94,708,792 shares held by its wholly-owned subsidiary, State Street Bank & Trust Company. Its capacity in holding these shares, which were in the Lending Pool, was as Controlled Corporation.
6. Emerging Markets Management, L.L.C.以投資經理身份持有七千四百六十九萬二千股股份。
6. Emerging Markets Management, L.L.C. held 74,692,000 shares in the capacity of Investment Manager.

購股權資料

本公司已於二零零二年一月二十四日採納購股權計劃，旨在鼓勵或獎勵對本集團作出貢獻或會有所貢獻的選定合資格人士。於期內，本公司並無根據該購股權計劃授出購股權，而關於已授出之購股權變動資料載列如下：

Share Option Information

The Company adopted its Share Option Scheme on January 24, 2002 to provide incentives or rewards to the selected eligible persons for their contribution or potential contribution to the Group. During the period, no share option was granted pursuant to the Share Option Scheme and movements in the number of share options previously granted are set out below:

合資格人士 Eligible person	購股權數目 Number of share options				於二零零六年 六月三十日 之結餘 Balance as at June 30, 2006	每股行使價 Exercise price per share	授出日期 Date of grant	行使期 Exercisable period
	於二零零六年 一月一日 之結餘 Balance as at January 1, 2006	於期內 授出 Granted during the period	於期內 行使 Exercised during the period	於期內 註銷 / 失效 Canceled/ Lapsed during the period				
董事 Director						港元 HK\$	(月/日/年) (MM/DD/YYYY)	(月/日/年) (MM/DD/YYYY)
馮永昌 FUNG Wing Cheong, Charles	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2003 - 04/07/2012
	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2004 - 04/07/2012
	1,668,000	-	-	-	1,668,000	4.650	04/08/2002	04/08/2005 - 04/07/2012
	5,000,000	-	-	-	5,000,000			
馬灼安 MAH Chuck On, Bernard	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2003 - 04/07/2012
	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2004 - 04/07/2012
	1,668,000	-	-	-	1,668,000	4.650	04/08/2002	04/08/2005 - 04/07/2012
	5,000,000	-	-	-	5,000,000			

購股權數目
Number of share options

合資格人士 Eligible person	於二零零六年 一月一日 之結餘	於期內 授出 Granted	於期內 行使 Exercised	於期內 註銷 / 失效 Canceled/ Lapsed	於二零零六年 六月三十日 之結餘	每股行使價	授出日期	行使期
	Balance as at January 1, 2006	Granted during the period	Exercised during the period	Canceled/ Lapsed during the period	Balance as at June 30, 2006	Exercise price per share	Date of grant	Exercisable period
						港元 HK\$	(月 / 日 / 年) (MM/DD/YYYY)	(月 / 日 / 年) (MM/DD/YYYY)
連續合約僱員 Continuous contract employees	2,164,000	-	-	104,000	2,060,000	4.650	04/08/2002	04/08/2003 - 04/07/2012
	2,382,000	-	-	104,000	2,278,000	4.650	04/08/2002	04/08/2004 - 04/07/2012
	2,656,000	-	-	120,000	2,536,000	4.650	04/08/2002	04/08/2005 - 04/07/2012
	666,000	-	-	-	666,000	2.795	02/05/2003	02/05/2004 - 02/04/2013
	832,000	-	-	-	832,000	2.795	02/05/2003	02/05/2005 - 02/04/2013
	836,000	-	-	-	836,000	2.795	02/05/2003	02/05/2006 - 02/04/2013
	200,000	-	200,000	-	-	2.200	05/02/2003	05/02/2006 - 05/01/2013
	568,000	-	58,000	28,000	482,000	2.650	06/10/2003	06/10/2004 - 06/09/2013
	778,000	-	82,000	30,000	666,000	2.650	06/10/2003	06/10/2005 - 06/09/2013
	2,060,000	-	248,000	144,000	1,668,000	2.650	06/10/2003	06/10/2006 - 06/09/2013
	84,000	-	-	-	84,000	2.785	08/20/2003	08/20/2004 - 08/19/2013
	8,000	-	2,000	2,000	4,000	2.785	08/20/2003	08/20/2005 - 08/19/2013
	8,000	-	-	2,000	6,000	2.785	08/20/2003	08/20/2006 - 08/19/2013
	38,000	-	16,000	-	22,000	3.300	09/19/2003	09/19/2004 - 09/18/2013
	80,000	-	26,000	-	54,000	3.300	09/19/2003	09/19/2005 - 09/18/2013
	96,000	-	-	18,000	78,000	3.300	09/19/2003	09/19/2006 - 09/18/2013
	132,000	-	-	-	132,000	4.150	01/27/2004	01/27/2005 - 01/26/2014
	198,000	-	-	-	198,000	4.150	01/27/2004	01/27/2006 - 01/26/2014
	204,000	-	-	-	204,000	4.150	01/27/2004	01/27/2007 - 01/26/2014
	1,082,000	-	-	-	1,082,000	4.500	06/16/2004	06/16/2005 - 06/15/2014
	1,272,000	-	-	-	1,272,000	4.500	06/16/2004	06/16/2006 - 06/15/2014
	1,280,000	-	-	-	1,280,000	4.500	06/16/2004	06/16/2007 - 06/15/2014
	10,000	-	-	-	10,000	4.850	07/07/2004	07/07/2005 - 07/06/2014
	10,000	-	-	-	10,000	4.850	07/07/2004	07/07/2006 - 07/06/2014
	10,000	-	-	-	10,000	4.850	07/07/2004	07/07/2007 - 07/06/2014
	28,000	-	-	-	28,000	4.235	08/17/2004	08/17/2005 - 08/16/2014
	34,000	-	-	-	34,000	4.235	08/17/2004	08/17/2006 - 08/16/2014
	1,000,000	-	-	-	1,000,000	4.305	09/30/2004	09/30/2004 - 09/29/2014
	434,000	-	-	52,000	382,000	4.875	12/30/2004	12/30/2004 - 12/29/2014
	19,150,000	-	632,000	604,000	17,914,000			
其他 Others	1,780,000	-	-	80,000	1,700,000	4.150	01/27/2004	01/27/2005 - 01/26/2014
	2,060,000	-	-	160,000	1,900,000	4.975	12/29/2004	12/29/2004 - 12/28/2014
	3,840,000	-	-	240,000	3,600,000			
合計 Total	32,990,000	-	632,000	844,000	31,514,000			

附註：

1. 連續合約僱員已行使之購股權於緊接行使日前之加權平均股份收市價為港幣四元零四仙。
2. 於二零零六年六月三十日之每股市價為港幣三元六角七仙半。
3. 於期內，本公司無授出購股權，故毋須作出評估授出購股權之公平值。本公司購股權計劃授出的購股權之公平值是以柏力克•舒爾斯期權訂價模式評估，並計入一些因素，如行使價、購股權年期、市價、有關股票之波幅及無風險利率等。該模式的設計旨在評估並無授出限制且可以自由轉讓之公開買賣期權之公平值。此外，它亦須視乎若干高度主觀假設數據，包括預期股價波幅。任何主觀假設數據倘出現任何變動均會對購股權之公平值造成重大影響。

Notes:

1. The weighted average closing price of the shares immediately before the date on which the options were exercised by the Continuous Contract Employees was HK\$4.04.
2. The market value per share as at June 30, 2006 was HK\$3.675.
3. As no share option was granted by the Company during the period, thus the estimation of fair value of share options granted was not applicable. For share options granted under share option scheme of the Company, the fair value of the options shall be estimated by applying the Black-Scholes option pricing model, taking into account a number of factors such as the exercise price, the life of the option, the market price and volatility of the underlying shares, and the risk-free interest rate for the expected life of the option. The Model is developed to estimate the fair value of publicly traded options that have no vesting restrictions and are fully transferable. In addition, it requires input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions may materially affect the estimation of the fair value of an option.

企業管治

企業管治常規守則之遵守

繼企業管治報告書於二零零五年年報內刊發後，本公司於二零零六年股東週年大會上通過了特別決議案修訂本公司細則，使(i)每名董事(除主席及董事總經理外，但包括該等按特定年期委任之董事)最少每三年輪值告退一次；(ii)每名由董事會委任的新董事(除主席及董事總經理外)，須於其獲委任後本公司舉行之下一次股東大會上(如屬填補臨時空缺)或下一次股東週年大會上(如屬增加董事人數)由股東重選；及(iii)本公司可於股東大會上以普通決議案(而非特別決議案)罷免任期還未屆滿的董事。

本公司董事並無獲悉任何資料顯示，於截至二零零六年六月三十日止六個月內，本公司未有遵守載於香港聯合交易所有限公司證券上市規則附錄十四之「企業管治常規守則」，除(i)由同一人擔任主席及行政總裁之職位(守則條文第A.2.1項)；及(ii)主席及/或董事總經理毋須輪值告退(守則條文第A.4.2項)外。

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

Subsequent to the publication of the Corporate Governance Report in the 2005 annual report, a special resolution was passed at the 2006 annual general meeting of the Company to amend the Company's Bye-Laws to the effect that: (i) every Director, other than the Chairman and the Managing Director but including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years; (ii) any new Directors (other than the Chairman and the Managing Director) appointed by the Board shall be subject to re-election by shareholders at the next following general meeting of the Company (in the case of filling a casual vacancy) or at the next following annual general meeting of the Company (in the case of an addition to their number) after their appointments; and (iii) the Company may by ordinary resolution instead of special resolution at a general meeting remove any Director before his period of office has expired.

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not during the six months ended June 30, 2006 in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited, except that (i) the roles of the Chairman and Chief Executive are vested in the same person (Code Provision A.2.1); and (ii) the Chairman and/or Managing Director is not subject to retirement (Code Provision A.4.2).

賬目審閱

就編製截至二零零六年六月三十日止六個月未經審核之簡明財務報表，審核委員會與管理層已討論內部監控及財務申報等事宜。審核委員會亦聯同本公司的外聘核數師審閱該財務報表。

董事進行證券交易之標準守則

有關董事進行之證券交易，本公司已採納了一套與標準守則所訂標準同樣嚴格之行為守則。經具體查詢後，每位董事均確認於本期內已遵守進行本公司證券交易的行為守則。

購買、出售或贖回本公司之上市證券

於截至二零零六年六月三十日止六個月內，本公司概無贖回其股份。本公司及其任何附屬公司於期內亦無購買或出售任何本公司之股份。

董事會

於本報告日，董事會包括四名獨立非執行董事歐文柱先生、畢滌凡先生、鄺其志先生及李鵬飛博士和三名執行董事劉國權先生、馮永昌先生及馬灼安先生。

承董事會命

劉國權

主席

香港，二零零六年八月二十四日

Review of Accounts

The Audit Committee has discussed with Management internal controls and financial reporting matters related to the preparation of the unaudited condensed financial statements for the six months ended June 30, 2006. It has also reviewed the said financial statements in conjunction with the Company's external auditors.

Model Code of Securities Transactions by Directors

The Company has adopted its code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. Following a specific enquiry, each of the Directors confirmed that he has complied with the code of conduct for transactions in the Company's securities during the period.

Purchase, Sale or Redemption of the Company's Listed Securities

The Company has not redeemed any of its shares during the six months ended June 30, 2006. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

Board of Directors

As at the date of this report, the Board comprises four Independent Non-executive Directors, namely, Mr. AU Man Chu, Milton, Mr. Barry John BUTTIFANT, Mr. KWONG Ki Chi and Dr. LEE Peng Fei, Allen; and three Executive Directors, namely, Mr. LAU Kwok Kuen, Peter, Mr. FUNG Wing Cheong, Charles and Mr. MAH Chuck On, Bernard.

On behalf of the Board

LAU KWOK KUEN, PETER

Chairman

Hong Kong, August 24, 2006

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