

GIORDANO
Giordano International Limited
佐丹奴國際有限公司
Interim Report 2018 中期報告

(Stock Code 股份代號：709)

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財務摘要

FINANCIAL HIGHLIGHTS

(除每股盈利外， 以百萬港元為單位)	(In HK\$ million, except earnings per share)	(未經審核) (Unaudited) 截至6月30日止六個月 Six months ended June 30		變動 Change
		2018	2017	
經營業績	OPERATING RESULTS			
銷售額	Sales	2,860	2,618	9.2%
經營溢利	Operating profit	348	331	5.1%
本公司股東應佔除所得稅後溢利	Profit after income taxes attributable to shareholders of the Company	254	245	3.7%
每股資料	PER SHARE DATA			
每股盈利	Earnings per share			
— 基本(港仙)	— Basic (HK cents)	16.2	15.6	3.8%
— 攤薄(港仙)	— Diluted (HK cents)	16.1	15.6	3.2%
每股中期股息(港仙)	Interim dividend per share (HK cents)	17.0	15.0	13.3%
財務比率	FINANCIAL RATIOS			
存貨對銷售成本之流轉日數	Inventory turnover days on costs	77	79	(2)
本公司股東應佔除所得稅後溢利率	Profit after income taxes attributable to shareholders of the Company	8.9%	9.4%	(0.5)pp/百分點

管理層之論述及分析

MANAGEMENT DISCUSSION AND ANALYSIS

管理層對本集團經營業績及財務狀況之論述及分析

除非另行說明，以下論述均指截至2018年及2017年6月30日止六個月之按年（「按年」）比較。

概覽

- 佐丹奴國際有限公司（「本公司」）及其附屬公司（「本集團」）為國際服裝零售商，擁有眾多品牌，包括 *Giordano* 及 *Giordano Junior*、*Giordano Ladies*、*BSX* 以及其他自有及授權經營之品牌。
- 於2018年6月30日，我們透過2,444間門市（或2,331,000平方呎之零售空間）組成之網絡，提供優質、物有所值並易於穿搭的服裝，其中1,293間為獨立門市。絕大多數門市位於大中華地區、南韓、東南亞以及中東。我們按地區及分銷渠道管理門市。期內門市數目淨增加73間，如表1所示。
- 截至2018年6月30日止六個月之集團銷售額¹為28.60億港元，毛利率為59.2%。本集團可比較門市毛利（「本集團可比較門市毛利」）²增加3.1%，而可比較門市銷售額（「本集團可比較門市銷售額」）²亦增加5.1%。表2提供了各個主要市場的詳情。
- 本公司股東應佔除所得稅後溢利（「本公司股東應佔除所得稅後溢利」）為2.54億港元，較2017年增加3.7%。
- 於2018年6月30日之現金及銀行結存（扣除銀行貸款後）錄得12.24億港元。

MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following commentaries refer to the year-on-year (“YOY”) comparison of the six months ended June 30, 2018 and 2017, unless otherwise stated.

OVERVIEW

- Giordano International Limited (the “Company”) and its subsidiaries (the “Group”) is an international apparel retailer with a portfolio of brands, including *Giordano* and *Giordano Junior*, *Giordano Ladies*, *BSX* as well as other owned and licensed brands.
- We offer high-quality, value-for-money and easy-to-wear apparel through a network of 2,444 stores (or 2,331,000 sq. ft. of retail floor space) as at June 30, 2018, of which 1,293 were standalone stores. The majority of stores were in Greater China, South Korea, Southeast Asia and the Middle East. We manage our stores by geographic regions and by distribution channels. Net increase in stores during the period was 73, as shown in Table 1.
- Group sales¹ for the six months ended June 30, 2018 were HK\$2,860 million at a gross margin of 59.2%. The Group’s comparable store gross profit (“Group CSGP”)² was up by 3.1%, with comparable store sales (“Group CSS”)² up by 5.1%. Table 2 provides details by major markets.
- The profit after income taxes attributable to shareholders of the Company (“PATS”) was HK\$254 million, an increase of 3.7% over 2017.
- Cash and bank balances, net of bank loans, were HK\$1,224 million at June 30, 2018.

¹ 本集團銷售額指合併銷售額，包括直營店產生之零售額及對所有海外／非合併加盟店之銷售額。

² 本集團可比較門市銷售額／可比較門市毛利指來自於上一相同期間已全面經營之現有直營店（「直營店」）及加盟店所得出的合併附屬公司之佐丹奴品牌銷售／毛利總額，按固定匯率計算。

¹ Group sales refer to consolidated sales and include retail sales from directly operated stores and sales to all overseas/non-consolidated franchisees.

² Group CSS/CSGP are total Giordano brand sales/gross profit of consolidated subsidiaries, at constant exchange rates, from existing directly operated stores (“DOS”) and franchised stores that have been fully operating in the same prior period.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

表1：門市組合

Table 1: Store portfolio

		門市數目 Store numbers 於6月30日 at June 30		零售空間(千平方呎) Retail floor space (sq. ft. in thousands) 於6月30日 at June 30	
		2018	2017	2018	2017
零售及分銷	Retail and Distribution				
中國大陸	Mainland China				
加盟店	Franchised stores	612	567	473	446
直營店	DOS	326	346	271	283
亞太其他地區	The rest of Asia Pacific	603	555	625	570
台灣	Taiwan	205	197	198	192
中東	The Middle East				
加盟店	Franchised stores	40	41	42	44
直營店	DOS	147	152	181	186
香港及澳門	Hong Kong and Macau	77	78	89	88
海外加盟商	Overseas franchisees	434	435	452	483
總數	Total	2,444	2,371	2,331	2,292

管理層之論述及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (continued)

經營業績

表2：本集團經營業績

RESULTS OF OPERATIONS

Table 2: Group results of operations

		截至6月30日止六個月 Six months ended June 30				
		佔 銷售額% % to sales		佔 銷售額% % to sales		變動 Change
(以百萬港元為單位)	(In HK\$ million)	2018	2017	2018	2017	Change
亞太其他地區	The rest of Asia Pacific	838	705	29.3%	26.9%	18.9%
中國大陸	Mainland China	680	605	23.8%	23.1%	12.4%
香港及澳門	Hong Kong and Macau	478	473	16.7%	18.1%	1.1%
台灣	Taiwan	355	304	12.4%	11.6%	16.8%
中東	The Middle East	336	352	11.7%	13.5%	(4.5%)
對海外加盟商之批發銷售額	Wholesale sales to overseas franchisees	173	179	6.1%	6.8%	(3.4%)
本集團銷售額	Group sales	2,860	2,618	100.0%	100.0%	9.2%
毛利	Gross profit	1,694	1,566	59.2%	59.8%	8.2%
經營費用	Operating expense	(1,382)	(1,295)	(48.3%)	(49.5%)	6.7%
經營溢利	Operating profit	348	331	12.2%	12.6%	5.1%
EBITDA	EBITDA	442	415	15.5%	15.9%	6.5%
本公司股東應佔除所得稅後溢利	PATS	254	245	8.9%	9.4%	3.7%
全球品牌銷售額 ³	Global brand sales ³	3,582	3,514			1.9%
全球品牌毛利 ³	Global brand gross profit ³	2,196	2,174			1.0%
本集團可比較門市銷售額增長率	Group CSS growth	5.1%	4.6%			
本集團可比較門市毛利增長率	Group CSGP growth	3.1%	6.6%			
期末現金及銀行 結存淨額	Net cash and bank balances at period end	1,224	1,233			(0.7%)
期末存貨	Inventories at period end	499	461			8.2%
存貨對銷售成本之流轉日數 (「存貨流轉日數」)(日) ⁴	Inventory turnover on costs (“ITOC”) (days) ⁴	77	79			(2)

³ 全球品牌銷售額／毛利乃按2018年匯率換算，其包括佐丹奴於直營店、加盟店及合營公司之門市之零售銷售額／毛利總額，因此高於本集團銷售額／毛利。

⁴ 存貨流轉日數指期末持有之存貨除以銷售成本乘以該期間日數。

³ Global brand sales/gross profit are at 2018 exchange rates, and are greater than Group sales/gross profit to include the total of Giordano retail sales/gross profit, in DOS, franchised stores and stores operated by a joint venture.

⁴ ITOC refers to inventories held at period end divided by cost of sales and multiplied by number of days in the period.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

銷售額及毛利

本集團銷售額增加9.2%，若按固定匯率換算，則增加5.5%。本集團可比較門市銷售額增加5.1%，可比較門市毛利增加3.1%。此增長主要是由於商品組合及平均售價上升所致。

本集團電子商務產生的收入為1.63億港元，增長率為22.6%（見表3）。中國大陸的電子商務銷售額佔本集團電子商務銷售額的89.6%，錄得19.7%之增長。

實體店銷售額錄得8.8%之穩定增長。對加盟商之批發銷售額增長6.9%，主要來自中國大陸，對中國大陸之批發銷售額增加19.6%。

核心佐丹奴產品佔全部品牌銷售額的86.1%。核心女裝由去年維持增長動力，錄得可比較門市銷售額增長8.2%及可比較門市毛利增長6.9%。童裝的綜合營銷方法持續有效，品牌之可比較門市銷售額及可比較門市毛利錄得強勁增長，增幅分別為14.7%及12.4%。我們的高檔女裝品牌*Giordano Ladies*的可比較門市銷售額錄得穩定增長5.4%，而可比較門市毛利亦提高7.3%。

表3：按渠道劃分之銷售額

		截至6月30日止六個月 Six months ended June 30				
(以百萬港元為單位)	(In HK\$ million)	2018	貢獻 Contribution	2017	貢獻 Contribution	變動 Change
實體店	Physical stores	2,308	80.7%	2,121	81.0%	8.8%
電子商務	E-business	163	5.7%	133	5.1%	22.6%
零售銷售額	Retail sales	2,471	86.4%	2,254	86.1%	9.6%
對加盟商之批發銷售額	Wholesale sales to franchisees	389	13.6%	364	13.9%	6.9%
本集團銷售額	Group sales	2,860	100.0%	2,618	100.0%	9.2%

Sales and gross profit

Group sales increased by 9.2%, or by 5.5% if translated at constant exchange rates. Group CSS were up by 5.1% and CSGP improved by 3.1%. The increase was primarily due to merchandising mix and increase in average selling price.

The Group's e-business generated HK\$163 million in revenue at a 22.6% growth rate (see Table 3). Accounting for 89.6% of the Group's e-business sales, our e-business in Mainland China recorded a 19.7% increase in sales.

Sales from physical stores recorded a stable growth of 8.8%. Wholesale sales to franchisees grew by 6.9%, primarily from Mainland China, the wholesale sales of which increased by 19.6%.

Core Giordano lines constituted 86.1% of total brand sales. Our core womenswear sustained its growth momentum from last year and recorded growth of CSS by 8.2% and CSGP of 6.9%. The integrated marketing approach of our childrenswear continues to be effective and the brand delivered strong growth with CSS and CSGP increasing by 14.7% and 12.4%, respectively. Our premium womenswear brand, *Giordano Ladies*, posted a stable CSS growth of 5.4% while CSGP improved by 7.3%.

Table 3: Sales by channel

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

本集團毛利增長8.2%至16.94億港元(2017年：15.66億港元)，主要是因為平均售價增加9.5%，但因平均產品成本增加12.4%及銷量減少5.2%而有所抵銷。平均產品成本上升主要由於人民幣升值，而大部分產品乃採購自中國大陸所致。然而，由於人民幣自2018年6月開始貶值，有關影響將有所遞減。本集團毛利率下降0.6個百分點，部份原因是渠道組合轉變以及稍遲的農曆新年及其他節日促銷期較長。本集團毛利之變動分析載於表4。

Group gross profit grew by 8.2% to HK\$1,694 million (2017: HK\$1,566 million), driven mainly by an increase in average selling price of 9.5%, offset by an increase in average product cost by 12.4% and volume decrease by 5.2%. Average product cost was higher due largely to the appreciation of Renminbi as the majority of products were sourced from Mainland China. However, the impact will diminish as Renminbi has started to depreciate since June 2018. Group gross margin was down by 0.6 percentage points due in part to changes in channel mix and longer promotion periods during the late Chinese New Year and other festivals. An analysis of change in Group gross profit is provided in Table 4.

表4：按地區劃分之毛利差異分析

Table 4: Gross profit variance analysis by region

		截至2017年 6月30日止 六個月毛利							截至2018年 6月30日止 六個月毛利	
		產品成本	售價	銷量	越南 收購業務	匯率 換算影響	其他	Six months ended June 30, 2018 gross profit		
(以百萬港元為單位)	(In HK\$ million)	June 30, 2017 gross profit	Product costs	Selling price	Volume	Vietnam acquisition	Translational exchange impact	Miscellaneous		
亞太其他地區	The rest of Asia Pacific	425	(23)	38	12	31	19	(1)	501	
中國大陸	Mainland China	336	(23)	29	(3)	—	28	—	367	
香港及澳門	Hong Kong & Macau	330	(25)	69	(45)	—	—	(2)	327	
台灣	Taiwan	186	(11)	37	—	—	9	—	221	
中東	The Middle East	229	(16)	—	(13)	—	1	4	205	
市場組合	Market mix	—	(6)	4	2	—	—	—	—	
零售及分銷	Retail and distribution	1,506	(104)	177	(47)	31	57	1	1,621	
對海外加盟商/附屬公司 之批發銷售額	Wholesale sales to overseas franchisees/subsidiaries	60							73	
本集團	Group	1,566							1,694	

其他收入及其他收益，淨額

其他收入及其他收益主要包括特許權收入、租金收入、出售資產之收益及利息收入，其減少2,400萬港元至3,600萬港元。

Other income and other gains, net

Other income and other gains comprised royalty income, rental income, gain from disposal of assets and interest income, which decreased by HK\$24 million to HK\$36 million.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

經營費用

經營費用率由49.5%下降1.2個百分點至48.3%，主要因為本集團銷售額改善。由於關閉表現較差之直營店及在租金價格更合理之地段(尤其是在大中華地區)開設門市，門市租賃費用對銷售額之百分比下降至20.7% (2017年：21.9%)。儘管業內人力短缺導致員工成本增加，但總員工成本對銷售額之百分比維持於17.6%。此乃由於本集團之銷售額增長9.2%以及人力資源管理流程改善。

經營溢利

經營溢利為3.48億港元，增幅為5.1%。本集團的收入及毛利上升為推動經營溢利增長的主要因素。經營溢利增幅略少於毛利增幅，因為去年出售可供出售金融資產的一次性收益。

表5：按地區劃分之銷售額及經營溢利貢獻

Operating expense

Operating expense ratio decreased by 1.2 percentage points from 49.5% to 48.3%, largely due to improved Group sales. Shop occupancy charges to sales were lowered to 20.7% (2017: 21.9%) due to the closure of non-performing DOS and the opening of stores in more reasonably-priced locations, particularly in Greater China. Although staff expense increased due to manpower shortage in the industry, total staff expense to sales was flat at 17.6%. This was due to a 9.2% increase in Group sales and a better human resources management process.

Operating profit

Operating profit was HK\$348 million, an increase of 5.1%. The uplift in the Group's revenue and gross profit were the primary factors that contributed towards the growth in operating profit. The increase in magnitude of the growth in operating profit is slightly less than the growth in gross profit due to the fact that there was a one-off gain on disposal of available-for-sale financial asset last year.

Table 5: Sales and operating profit contribution by region

截至2018年6月30日止六個月	Six months ended June 30, 2018	按地區劃分之貢獻	
		銷售額	經營溢利
		Sales	Operating profit
亞太其他地區	The rest of Asia Pacific	29.3%	35.6%
中國大陸	Mainland China	23.8%	15.2%
香港及澳門	Hong Kong and Macau	16.7%	13.5%
台灣	Taiwan	12.4%	11.2%
中東	The Middle East	11.7%	14.4%
對海外加盟商之批發銷售額	Wholesale sales to overseas franchisees	6.1%	6.0%
對海外附屬公司之批發銷售額	Wholesale sales to overseas subsidiaries	—	11.5%
總部費用，扣除其他收入及收益	Headquarter expense, net of other income and gains	—	(7.4%)
		100.0%	100.0%

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

所得稅

所得稅為8,400萬港元(2017年:7,400萬港元)，實際稅率為22.4%(2017年:21.0%)。實際稅率增加主要因為期內就已收股息所支付的扣繳稅項增加。

本公司股東應佔除所得稅後溢利

本公司股東應佔除所得稅後溢利上升3.7%至2.54億港元(2017年:2.45億港元)，如表6所示。基於上文所述之原因，淨利潤率為8.9%，減幅為0.5個百分點。

表6：本公司股東應佔除所得稅後溢利變動分析

(以百萬港元為單位)

截至2017年6月30日止六個月已報告2017年 本公司股東應佔除所得稅後溢利	Reported 2017 PATS for the six months ended June 30, 2017	245
亞太其他地區	The rest of Asia Pacific	32
台灣	Taiwan	9
南韓	South Korea	5
香港及澳門	Hong Kong and Macau	2
對海外附屬公司之批發銷售額	Wholesale sales to overseas subsidiaries	2
中國大陸	Mainland China	1
對海外加盟商之批發銷售額	Wholesale sales to overseas franchisees	(8)
中東	The Middle East	(22)
所得稅、非控制性權益、融資費用 及總部費用	Income taxes, non-controlling interests, finance expense and headquarter expense	(22)
截至2018年6月30日止六個月之未計貨幣換算 差額之本公司股東應佔除所得稅後溢利	PATS for the six months ended June 30, 2018 without currency translation difference	244
貨幣換算差額	Currency translation difference	10
截至2018年6月30日止六個月已報告之 本公司股東應佔除所得稅後溢利	Reported PATS for the six months ended June 30, 2018	254

Income taxes

Income taxes amounted to HK\$84 million (2017: HK\$74 million), representing an effective tax rate of 22.4% (2017: 21.0%). The increase in effective tax rate is mainly attributable to the increase in withholding taxes paid for dividend received during the period.

Profit after income taxes attributable to shareholders of the Company

PATS increased by 3.7% to HK\$254 million (2017: HK\$245 million), as shown in Table 6. Net margin was 8.9%, a decrease of 0.5 percentage points, for reasons cited in the preceding commentaries.

Table 6: Analysis of change in PATS

(In HK\$ million)

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

市場分析

以下之具體市場意見以當地貨幣為單位，倘若是以港元為單位，則根據固定匯率，以撇除因換算財務報表貨幣單位所產生之扭曲。有關數字尚未撇除以非當地貨幣進口產品成本之影響。

中國大陸

表7：中國大陸

ANALYSIS BY MARKET

The following market-specific comments are in local currencies or, if in Hong Kong dollars, are at constant exchange rates to remove distortions from the translation of financial statements. These figures have not removed the impact on imported product costs contracted at non-local currencies.

Mainland China

Table 7: Mainland China

		截至6月30日止六個月 Six months ended June 30				
		佔 銷售額% % to sales		佔 銷售額% % to sales		變動 Change
(以人民幣百萬元為單位)	(In Renminbi million)	2018		2017		
直營店	DOS	276	49.9%	281	52.7%	(1.8%)
向加盟商之批發銷售額	Wholesale sales to franchisees	158	28.6%	144	27.0%	9.7%
電子商務	E-business	119	21.5%	108	20.3%	10.2%
總銷售額	Total sales	553	100.0%	533	100.0%	3.8%
毛利	Gross profit	299	54.1%	296	55.5%	1.0%
經營費用	Operating expense	(261)	(47.2%)	(260)	(48.8%)	0.4%
經營溢利	Operating profit	43	7.8%	42	7.9%	2.4%
直營店	DOS	276		281		(1.8%)
加盟店	Franchised stores	293		274		6.9%
電子商務	E-business	119		108		10.2%
品牌銷售總額	Total brand sales	688		663		3.8%
可比較門市銷售額增長率	CSS growth	7.3%		4.2%		
可比較門市毛利增長率	CSGP growth	5.8%		5.9%		
直營店	DOS	326		346		(20)
加盟店	Franchised stores	612		567		45
期末門市數目	Stores at period end	938		913		25

儘管零售環境競爭非常激烈，我們的中國大陸業務穩步向前。電子商務及加盟店兩個策略渠道平穩發展，並將繼續為我們在中期而言的關鍵驅動因素。

Our Mainland China business progressed at a solid pace despite the fierce competitive retail environment. The two strategic channels of e-business and franchising contributed towards the stable growth and will continue to be our key drivers in the medium term.

管理層之論述及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (continued)

香港及澳門

表8：香港及澳門

Hong Kong and Macau

Table 8: Hong Kong and Macau

		截至6月30日止六個月 Six months ended June 30				
(以百萬港元為單位)	(In HK\$ million)	2018	佔 銷售額% % to sales	2017	佔 銷售額% % to sales	變動 Change
總銷售額	Total sales	478	100.0%	473	100.0%	1.1%
毛利	Gross profit	327	68.4%	330	69.8%	(0.9%)
經營費用	Operating expense	(280)	(58.6%)	(285)	(60.3%)	(1.8%)
經營溢利	Operating profit	47	9.8%	45	9.5%	4.4%
可比較門市銷售額增長率	CSS growth	5.6%		6.8%		
可比較門市毛利增長率	CSGP growth	3.9%		7.9%		
期末門市數目	Stores at period end	77		78		(1)

表現強勁的農曆新年過後，銷售額於第二季度開始放緩。受益於推行有效之營銷計劃及促銷活動，可比較門市銷售額錄得增長。

After a robust Chinese New Year, sales in the second quarter slowed down. CSS increase was achieved through well-executed marketing programs and promotional activities.

台灣

表9：台灣

Taiwan

Table 9: Taiwan

		截至6月30日止六個月 Six months ended June 30				
(以百萬新台幣為單位)	(In New Taiwanese Dollar million)	2018	佔 銷售額% % to sales	2017	佔 銷售額% % to sales	變動 Change
總銷售額	Total sales	1,347	100.0%	1,201	100.0%	12.2%
毛利	Gross profit	838	62.2%	736	61.3%	13.9%
經營費用	Operating expense	(693)	(51.4%)	(640)	(53.3%)	8.3%
經營溢利	Operating profit	147	10.9%	109	9.1%	34.9%
可比較門市銷售額增長率	CSS growth	11.3%		(7.4%)		
可比較門市毛利增長率	CSGP growth	13.4%		(2.1%)		
期末門市數目	Stores at period end	205		197		8

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

台灣的表现自2017年第二季度起開始回升且勢頭持續至2018年上半年。除當地零售市場復甦外，有效的商品銷售、妥善執行的營銷計劃及電子商務的強勁增長推動可比較門市銷售額及可比較門市毛利率分別增加11.3%及13.4%。毛利率增加乃主要由於平均售價上升。

Taiwan's performance had rebounded since the second quarter of 2017 and continued into the first half of 2018. Effective merchandising, well-executed marketing programs and strong e-business growth on top of the recovery of the local retail market boosted CSS and CSGP to grow by 11.3% and 13.4%, respectively. The improvement in gross margin was largely due to the improvement in average selling price.

亞太其他地區

The rest of Asia Pacific

表10：亞太其他地區

Table 10: The rest of Asia Pacific region

		截至6月30日止六個月 Six months ended June 30				
(以百萬港元為單位， 按固定匯率換算)	(In HK\$ million, translated at constant exchange rates)	2018	佔 銷售額% % to sales	2017	佔 銷售額% % to sales	變動 Change
總銷售額	Total sales	809	100.0%	705	100.0%	14.8%
毛利	Gross profit	482	59.6%	425	60.3%	13.4%
經營費用	Operating expense	(364)	(45.0%)	(343)	(48.7%)	6.1%
經營溢利	Operating profit	121	15.0%	89	12.6%	36.0%
可比較門市銷售額增長率	CSS growth	3.6%		7.0%		
可比較門市毛利增長率	CSGP growth	3.0%		8.7%		
期末門市數目	Stores at period end	603		555		48

於亞太其他地區，已收購的越南業務為該地區貢獻5.8%的銷售額。該地區的經營溢利錄得強勁之雙位數增長，尤其是新加坡、印尼及泰國，很大程度上由於毛利改善及費用控制所致。

In the rest of Asia Pacific, the acquired Vietnam operations contributed to 5.8% of the sales for this region. Operating profit from this region recorded strong double-digit growth, particularly from Singapore, Indonesia and Thailand. This was attributable largely to the improvement in gross profit and expense control.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

表11：亞太其他地區(按市場劃分)

Table 11: The rest of Asia Pacific region (by market)

		截至6月30日止六個月 Six months ended June 30								
		銷售額 Sales			可比較門市 銷售額增長率 CSS growth		可比較門市 毛利增長率 CSGP growth		期末 門市數目 Stores at period end	
(以百萬港元為單位， 按固定匯率換算)	(In HK\$ million, translated at constant exchange rates)	2018	2017	變動 Change	2018	2017	2018	2017	2018	2017
印尼	Indonesia	311	271	14.8%	5.4%	15.3%	2.9%	17.5%	257	246
新加坡	Singapore	152	150	1.3%	1.1%	(0.6%)	(1.4%)	3.2%	43	43
泰國	Thailand	165	155	6.5%	4.1%	1.3%	7.0%	(0.4%)	164	156
馬來西亞	Malaysia	95	92	3.3%	0.9%	14.6%	1.8%	15.6%	92	88
澳洲	Australia	33	33	持平Flat	12.7%	7.5%	9.3%	14.3%	13	16
越南*	Vietnam*	47	—	不適用N/A	不適用N/A	不適用N/A	不適用N/A	不適用N/A	32	—
柬埔寨	Cambodia	6	4	50.0%	17.2%	33.6%	17.4%	40.2%	2	1
印度	India	—	—	不適用N/A	不適用N/A	不適用N/A	不適用N/A	不適用N/A	—	5
總數	Total	809	705	14.8%	3.6%	7.0%	3.0%	8.7%	603	555

* 越南業務於2017年7月1日收購，自收購日期起其業績已於本集團合併入賬。

* Vietnam operations were acquired on July 1, 2017 and its result have been consolidated by the Group since the acquisition date.

於齋月期間，印尼脫穎而出，可比較門市銷售額及可比較門市毛利分別有11.2%及10.7%的增長率。整體而言，慶祝齋月的市場之可比較門市銷售額增長率及可比較門市毛利增長率分別為3.7%及4.3%。印尼及泰國之經營溢利分別增加19.8%及17.3%，而該等市場繼續呈現可持續及大幅增長。於新加坡，經營溢利增加29.8%，主要由於關閉表現較差門市使成本狀況得以改善所致。

During the Ramadan period, Indonesia stood out with CSS and CSGP growth of 11.2% and 10.7%, respectively. Overall, markets that celebrate Ramadan delivered CSS and CSGP growth of 3.7% and 4.3%, respectively. Operating profit of Indonesia and Thailand increased by 19.8% and 17.3%, respectively, and these markets are continuing to deliver sustainable and significant growth. In Singapore, operating profit increased by 29.8%, due largely to an improved cost position from the closure of non-performing stores.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

中東

The Middle East

表12：中東

Table 12: The Middle East

		截至6月30日止六個月				
		Six months ended June 30				
(以百萬港元為單位， 按固定匯率換算)		(In HK\$ million, translated at constant exchange rates)		佔 銷售額% % to sales	佔 銷售額% % to sales	變動 Change
		2018		2017		
總銷售額	Total sales	333	100.0%	352	100.0%	(5.4%)
毛利	Gross profit	203	61.0%	229	65.1%	(11.4%)
經營費用	Operating expense	(154)	(46.2%)	(160)	(45.5%)	(3.8%)
經營溢利	Operating profit	49	14.7%	71	20.2%	(31.0%)
可比較門市銷售額增長率	CSS growth	(3.7%)		11.0%		
可比較門市毛利增長率	CSGP growth	(12.2%)		9.9%		
期末門市數目	Stores at period end	187		193		(6)

於中東，我們面臨重重挑戰。於第一季度，當地之可比較門市銷售額下跌7.3%。可比較門市銷售額下跌幅度於第二季度減至1.5%，導致可比較門市銷售額整體減少3.7%。於齋月期間，我們推出具吸引力之促銷活動及銷售折扣以緩解狀況。管理層相信，本公司可抵禦短暫挫折，一旦經濟環境改善，其表現將立即回升。

In the Middle East, we are facing challenges. In the first quarter, CSS of the region dropped by 7.3%. The magnitude of the decrease in CSS reduced to 1.5% for the second quarter, resulting in an overall decrease of CSS by 3.7%. During the period of Ramadan, attractive promotional activities and sales discounts were launched to improve the situation. Management believes that the Company can weather the temporary setback and its performance will rebound once the economic environment improves.

管理層之論述及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (continued)

南韓(一間由獨立管理團隊管理之擁有48.5%權益的合營公司)

South Korea (a 48.5% joint venture under an independent management team)

表13：南韓

Table 13: South Korea

		截至6月30日止六個月 Six months ended June 30				
		2018	佔 銷售額% % to sales	2017	佔 銷售額% % to sales	變動 Change
(以百萬韓圓為單位)	(In Korean Won million)					
總銷售額	Total sales	97,668	100.0%	102,345	100.0%	(4.6%)
毛利	Gross profit	57,272	58.6%	59,150	57.8%	(3.2%)
淨利潤	Net profit	8,233	8.4%	7,006	6.8%	17.5%
應佔溢利	Share of profit	3,996		3,401		17.5%
可比較門市銷售額增長率	CSS growth	(3.2%)		(6.2%)		
可比較門市毛利增長率	CSGP growth	(1.5%)		(3.3%)		
期末門市數目	Stores at period end	191		196		(5)

南韓報告淨利潤增長17.5%，這是由於更有效的成本控制、關閉表現較差門市及毛利率上升所致。共用採購導致的存貨優化及產品成本降低亦促進毛利率的大幅提升。

South Korea reported a net profit increase of 17.5%, attributable to better cost control, closure of non-performing stores and enhanced gross margin. Inventory rationalization and lower product costs due to shared sourcing have also contributed to substantial gross margin improvement.

對海外加盟商之批發銷售額

Wholesale sales to overseas franchisees

表14：海外加盟商門市數目

Table 14: Store numbers of overseas franchisees

		於6月30日 At June 30	
		2018	2017
按市場劃分	By market		
南韓	South Korea	191	196
東南亞	Southeast Asia	225	227
其他市場	Other markets	18	12
門市總數	Total stores	434	435

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

對海外加盟商之批發銷售額減少3.4%至1.73億港元(2017年：1.79億港元)。倘對越南的批發未於去年列賬，批發銷售額會提升4.2%。該市場的業績已於期內合併入賬。南韓的批發銷售額增加2.4%。管理層持續關注擴展核心市場以外地區之加盟及批發業務。儘管最初的規模較小，該等新開發市場將在中長期帶來回報。

財務狀況

流動資金及財務資源

本集團的財務狀況穩健。於2018年6月30日，現金及銀行結存(扣除銀行貸款後)為12.24億港元(2017年：12.33億港元)。

以港元列值之短期銀行借貸為2.98億港元(2017年：2.98億港元)。本集團之槓桿比率(按借貸總額減現金及銀行結存後與本公司股東應佔權益之比率計算)為-0.4(2017年：-0.4)。於2018年6月30日，按流動資產25.87億港元及流動負債10.68億港元計算，本集團之流動比率為2.4(2017年：2.5)。

物業、機器及設備

於2018年上半年，資本開支為4,000萬港元(2017年：4,500萬港元)。值得注意的是，門市數目及門市升級均有增加。管理層將繼續投資店舖環境升級，以提升我們的品牌形象。

商譽及授出認沽期權負債

商譽及授出認沽期權負債來自2012年及2015年年度收購中東業務。我們進行減值測試後，管理層認為期內商譽並無出現減值。

於合營公司之權益

資產負債表載列於合營公司之權益結餘主要指我們於南韓擁有48.5%之合營公司之權益。期內減少4,400萬港元，反映自5,400萬港元撥付股息及貨幣換算差額1,900萬港元，抵銷了我們的應佔溢利2,900萬港元。

Wholesale sales to overseas franchisees decreased by 3.4% to HK\$173 million (2017: HK\$179 million). Wholesale sales would have improved by 4.2% if the wholesales to Vietnam were not taken into account last year. The results from this market have been consolidated during the period. The growth in wholesale sales to South Korea increased by 2.4%. Management remains focused on expanding our franchise and wholesale footprints outside of our core markets. Though initially small, these newly developed markets will pay off in the medium and long run.

FINANCIAL POSITION

Liquidity and financial resources

The Group's financial position is sound. At June 30, 2018, the cash and bank balances, net of bank loans, was HK\$1,224 million (2017: HK\$1,233 million).

The short-term bank borrowings were denominated in Hong Kong dollars and amounted to HK\$298 million (2017: HK\$298 million). The Group's gearing ratio, defined as the ratio of total borrowings less cash and bank balances to equity attributable to shareholders of the Company was -0.4 (2017: -0.4). As at June 30, 2018, the Group's current ratio was 2.4 based on current assets of HK\$2,587 million and current liabilities of HK\$1,068 million (2017: 2.5).

Property, plant and equipment

During the first half of 2018, capital expenditure was HK\$40 million (2017: HK\$45 million). It is noteworthy that there has been an increase in both the number of stores and store upgrades. Management will continue to invest in our shop ambiance to strengthen our brand image.

Goodwill and put option liabilities

The goodwill and put option liabilities arose from the acquisition of the Middle East operations in the years of 2012 and 2015. We have carried out impairment tests and management is of the view that there is no impairment on goodwill for the period.

Interests in joint ventures

The balance stated in the interests in joint ventures of the balance sheet mainly represents our 48.5% interest in the South Korea joint venture. The decrease by HK\$44 million during the period reflected the dividends paid out of HK\$54 million and currency translation difference of HK\$19 million, which offset our share of profit of HK\$29 million.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

存貨

本集團於2018年6月30日之存貨增加3,800萬港元或8.2%至4.99億港元(2017年6月30日: 4.61億港元)。存貨流轉日數因銷售額增加而減少2日至77日。

供應商及加盟商的存貨並非我們的法定責任。本集團跟進此資訊以確保不會累積過多資產負債表外的存貨。我們的系統存貨較2017年年末結餘減少4.5%。管理層參照預測銷售額後認為該存貨水平屬穩健及充足。

表15：系統存貨

		於		
		6月30日	12月31日	6月30日
(以百萬港元為單位)	(In HK\$ million)	June 30	Dec 31	June 30
		2018	2017	2017
本集團持有之存貨	Inventories held by the Group	499	524	461
擁有48.5%權益的南韓合營公司持有之存貨	Inventories held by 48.5% South Korea joint venture	166	175	161
中國大陸加盟商持有之存貨	Inventories held by franchisees in Mainland China	92	91	81
供應商之製成貨品(未付運)	Finished goods at suppliers (not yet shipped)	49	54	43
系統存貨總額	Total system inventories	806	844	746

應收及應付賬款

本集團監督應收賬款的可收回性，以降低壞賬風險。期內應收賬款流轉日數為44日，較去年同期增加1日。期內應付賬款流轉日數減少17日至19日，與供應商給予我們的信貸期相若。

Inventories

Group inventories at June 30, 2018 increased by HK\$38 million, or 8.2%, to HK\$499 million (June 30, 2017: HK\$461 million). ITOC decreased by 2 days to 77 days because of higher sales.

Inventories at suppliers and franchisees are not our legal liabilities. The Group tracks this information to ensure that we do not build up excessive off-balance sheet inventories. Our system inventories have decreased by 4.5% as compared to 2017 year-end balance. Management considers this inventory level to be healthy and adequate in relation to our projected sales.

Table 15: System inventories

Trade receivables and payables

The Group monitors the recoverability of trade receivables to mitigate bad debt risk. Trade receivables turnover for the period was 44 days, which increased by 1 day compared to the same period last year. Trade payables turnover decreased by 17 days to 19 days during the period, in line with the credit period granted by our suppliers.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

展望

雖然世界兩大經濟體之間日益升級的貿易戰尚未帶來全面衝擊，其已開始影響多個地區的市場氣氛。整體經營環境將變得愈具挑戰。我們現正提前預備應對及抵抗潛在逆境。

我們將繼續鞏固核心能力，同時專注檢討我們即將出貨的產品訂單以及尋求進一步的機遇以減少產品成本及經營開支。

我們視成為以合理價格提供易於穿搭之優質服裝的領銜品牌為堅定不移的目標。

儘管目前存貨水平穩健，我們堅持減少存貨進一步加強毛利率。我們亦對門市網絡擴展保持審慎樂觀態度，儘管我們將採取嚴謹方法進行營銷投資及翻新我們的現有門市，以加強品牌知名度及為顧客提供更佳購物體驗。

於2018年，童裝系列在綜合營銷方法的推動下繼續有不俗的表現，女裝系列亦有顯著改善。一如前述，童裝系列將依舊是我們的關鍵發展項目之一，其持續擴張已經及將會繼續獲得更多資源分配。

我們對中國大陸的展望依舊積極。誠然，2018年上半年的表現持平，中美貿易戰於不久將來的影響亦帶來一定程度的不明朗因素。儘管如此，我們於中國的電子商務繼續較本集團平均水準有更出色的表現，我們的加盟商及直營店表現均有進步。預期我們的門市網絡將持續擴大，惟我們將鑑於宏觀經濟條件監控發展步伐及規模。

香港及澳門為本集團的主要市場之一。儘管該市場自2018年以來有一定的增長，惟現時愈發停滯不前。反常氣候及激烈競爭至今制約我們的表現，但我們有信心經驗豐富的當地管理層團隊將繼續減低成本並構思出充滿創意的宣傳活動，制勝對手。該市場將延用作為新構思之孵化器及人才發展中心。

OUTLOOK

While the full brunt of the burgeoning trade war between the world's two largest economic powers has yet to be felt, it has nonetheless started to affect market sentiment in many regions. The overall operating environment will become increasingly challenging. We are making preparations in advance to tackle and weather the possible adversity.

We will continue to strengthen our core competencies, while at the same time focus on reviewing our impending product orders as well as seek out further opportunities to reduce product costs and operating expenses.

Our aim of becoming the leading easy-to-wear fashion provider of high quality apparel at reasonable prices remains unwavering.

Although current inventory levels are healthy, we remain steadfast in reducing the same to further strengthen our gross margin. We also remain cautiously optimistic on our store network expansion, although we will take a disciplined approach towards marketing investment and the refurbishment of our existing stores so as to strengthen the brand and provide a better shopping experience to our customers.

The childrenswear line is continuing to perform well under the integrated marketing approach and the womenswear line also made significant advances in 2018. The former will continue to be one of our key development programs and as previously conveyed, additional resources have been and will continue to be allocated for its ongoing expansion.

Outlook on Mainland China remains optimistic. Performance in the first half of 2018 has been flat and there is some degree of uncertainty surrounding the impact of the Sino-US trade war in the imminent future. That said, our E-commerce business in China continues to perform better than the Group's average and there has also been an improvement in the performance of both our franchisees and our DOS. We anticipate that our store network will continue to expand, but we will monitor the pace and scale in view of the macro economic conditions.

Hong Kong and Macau is one of the Group's key markets. While it has experienced some growth thus far in 2018, this is becoming increasingly sluggish. Inclement weather and fierce competition have hindered performance so far, but we are confident the experienced local management team will continue to reduce costs and devise creative campaigns to outperform our competitors. This market will also continue to serve as a new idea incubator and talent development centre.

管理層之論述及分析(續) MANAGEMENT DISCUSSION AND ANALYSIS (continued)

於上半年，中東表現未如理想，包括銷售額欠佳、銷量下降及產品成本上升。儘管上半年表現疲弱，但我們相信經驗豐富的當地管理團隊能透過積極磋商降低租金、減少成本及費用以及推出有條不紊的推廣活動渡過難關，旅客數字上升及油價反彈對我們亦有幫助。

南韓合營公司出現持續復甦跡象。雖然第二季度銷售額略有下降，但由於平均售價走強，商品推廣改善以及持續強勁的品牌定位，上半年淨利潤有所增加。儘管下半年將會出現若干阻力，但我們相信能夠維持增長勢頭。

到目前為止，我們於2018年在台灣、泰國及印尼取得重大改善。台灣整個零售業錄得穩健增長，當地管理團隊繼續有系統地控制成本，同時透過改善營銷及選擇更優質的產品加強平均售價。泰國亦出現顯著增長，因為該國家已渡過已故尊敬泰王的國喪期。印尼上半年表現強勁，受惠於齋月及私人消費整體顯著改善、信貸成本下降、就業增加及社會福利擴大。儘管管理層將密切監察貨幣相關事宜，惟隨著計劃於今年餘下時間舉行一系列全國性主題活動，管理層預期此勢頭將在2018年延續。

管理層正在投放資源以進軍本集團尚未開拓之市場，該等市場將在中長期為本集團帶來回報。隨著我們於法國巴黎的第一間加盟店開業及已簽立一份印度新加盟協議，我們預期於未來六個月在兩至三個新市場開設門市及取得新加盟商。

The Middle East has underperformed with a largely poor first half including poor sales, decreased volume and increased product costs. Despite the weak first half, we are confident that the seasoned local management team can weather the storm by aggressively negotiating lower rents, reducing costs and expenses as well as rolling-out disciplined promotional activities. This resolve should also be supported by the growth in tourism levels and what appears to be a rebound in oil prices.

The South Korea joint venture shows continuing signs of recovery. Although sales marginally decreased in the second quarter, the net profit for the half increased on the back of strengthened average selling prices, improved merchandising and sustained, strong brand positioning. We are confident this momentum can be maintained, although there will be some headwinds in the second half.

Thus far in 2018, we have seen substantial improvement in Taiwan, Thailand and Indonesia. The retail sector in Taiwan as a whole has experienced healthy improvement and the local management team has also been disciplined in controlling their costs while strengthening their average selling prices through improved marketing and better product selection. Thailand has also experienced significant growth as the nation continues to emerge from the official mourning period of the late, revered king. Indonesia had a strong first half, buoyed by a strong Ramadan and overall improvement in private consumption and supported by lower credit costs, increased employment and expansion of social welfare. With a number of nation-wide, themed campaigns planned for the rest of the year, management expects the momentum to continue in 2018, although it will also closely monitor currency-related matters.

Management is allocating resources to expand into markets where the Group does not have a presence yet, from which the Group will benefit in the medium to long term. With the opening of our first franchised store in Paris, France and the execution of a new franchise agreement for India, we expect to open stores and secure new franchisees in two to three new markets in the next six months.

管理層之論述及分析(續)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

本公司董事(「董事」)會(「董事會」)採用向股東回贖現金盈餘之政策。除股息分派外，本公司於2017年6月20日啟動一項股份購回計劃，並將根據本公司日期為2017年6月20日的公佈所述繼續購回股份，及於隨後根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)註銷所購回的股份。根據本公司股東向董事會授予之一般授權，本公司可購回最多157,382,651股本公司股份，相當於2018年5月25日舉行之本公司2018年股東週年大會當日本公司已發行股份總數之10%。購回股份之詳情請參閱本公司日期為2017年6月20日之公佈。

人力資源

於2018年6月30日，本集團約有8,200名僱員(2017年12月31日：8,000名)。本集團為各階層員工提供具競爭力之薪酬組合，並發放按目標為本計算之優厚花紅。我們向高級管理層提供與表現掛鈎之花紅計劃及購股權，以酬謝及保留優秀幹練之管理團隊。我們亦投放大量資源於銷售及客戶服務培訓、管理、規劃及領導才能發展，以保留具有技術且主動貢獻之工作團隊。

The board (the “Board”) of directors (the “Directors”) of the Company believes in returning surplus cash to its shareholders. In addition to dividend distribution, the Company commenced a share repurchase initiative on June 20, 2017, and will continue to repurchase shares in accordance with the Company’s announcement dated June 20, 2017 and will cancel the repurchased shares subsequently pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Under the general mandate granted by the shareholders of the Company to the Board, the Company may repurchase up to 157,382,651 shares of the Company, being 10% of the total number of issued shares of the Company as at the date of the Company’s 2018 annual general meeting held on May 25, 2018. For details of the share repurchase, please refer to the Company’s announcement dated June 20, 2017.

HUMAN RESOURCES

As at June 30, 2018, the Group had approximately 8,200 employees (December 31, 2017: 8,000). The Group offers competitive remuneration packages and generous, goal-oriented bonuses targeted to different levels of staff. We offer senior management performance-based bonus schemes and share options to reward and retain a high calibre leadership team. We also invest heavily in training in sales and customer service, management, planning and leadership development to retain a skilled and motivated workforce.

中期財務資料的審閱報告

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

致佐丹奴國際有限公司
董事會

(於百慕達註冊成立的有限公司)

引言

本核數師(以下簡稱「我們」)已審閱列載於第23頁至第53頁的中期財務資料，此中期財務資料包括佐丹奴國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)於2018年6月30日的合併資產負債表與截至該日止六個月期間的合併利潤表、合併綜合收益表、合併權益變動表和合併現金流量表，以及主要會計政策概要和其他附註解釋。香港聯合交易所有限公司證券上市規則規定，就中期財務資料擬備的報告必須符合以上規則的有關條文以及香港會計師公會頒布的香港會計準則第34號「中期財務報告」。貴公司董事須負責根據香港會計準則第34號「中期財務報告」擬備及列報該等中期財務資料。我們的責任是根據我們的審閱對該等中期財務資料作出結論，並僅按照我們協定的業務約定條款向閣下(作為整體)報告我們的結論，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

審閱範圍

我們已根據香港會計師公會頒布的香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務的人員作出查詢，及應用分析性和其他審閱程序。審閱的範圍遠較根據《香港審計準則》進行審計的範圍為小，故不能令我們可保證我們將知悉在審計中可能被發現的所有重大事項。因此，我們不會發表審計意見。

TO THE BOARD OF DIRECTORS OF
GIORDANO INTERNATIONAL LIMITED

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 53, which comprise the consolidated balance sheet of Giordano International Limited (the “Company”) and its subsidiaries (together, the “Group”) as at June 30, 2018 and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

中期財務資料的審閱報告(續)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION (continued)

結論

按照我們的審閱，我們並無發現任何事項，令我們相信 貴集團的中期財務資料未有在各重大方面根據香港會計準則第34號「中期財務報告」擬備。

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

羅兵咸永道會計師事務所
執業會計師

香港，2018年8月9日

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 9, 2018

合併利潤表

CONSOLIDATED INCOME STATEMENT

未經審核中期業績

董事會宣佈，本集團截至2018年6月30日止六個月之未經審核中期業績，連同比較數字及說明附註如下：

UNAUDITED INTERIM RESULTS

The Board presents the following unaudited interim results of the Group for the six months ended June 30, 2018 together with comparative figures and explanatory notes.

(除每股盈利外， 以百萬港元為單位)	(In HK\$ million, except earnings per share)	附註 Note	(未經審核) (Unaudited) 截至6月30日止六個月 Six months ended June 30	
			2018	2017
銷售額	Sales	5	2,860	2,618
銷售成本	Cost of sales	7	(1,166)	(1,052)
毛利	Gross profit		1,694	1,566
其他收入及其他收益，淨額	Other income and other gains, net	6	36	60
分銷費用	Distribution expense	7	(1,242)	(1,146)
行政費用	Administrative expense	7	(140)	(149)
經營溢利	Operating profit		348	331
融資費用	Finance expense		(2)	(2)
應佔合營公司溢利	Share of profit of joint ventures		29	23
除所得稅前溢利	Profit before income taxes	5	375	352
所得稅	Income taxes	8	(84)	(74)
期內除所得稅後溢利	Profit after income taxes for the period		291	278
應佔：	Attributable to:			
本公司股東	Shareholders of the Company		254	245
非控制性權益	Non-controlling interests		37	33
			291	278
本公司股東應佔溢利之 每股盈利	Earnings per share for profit attributable to shareholders of the Company	9		
基本(港仙)	Basic (HK cents)		16.2	15.6
攤薄(港仙)	Diluted (HK cents)		16.1	15.6

合併綜合收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		(未經審核) (Unaudited)		
		截至6月30日止六個月		
		Six months ended June 30		
(以百萬港元為單位)	(In HK\$ million)	附註 Note	2018	2017
期內除所得稅後溢利	Profit after income taxes for the period		291	278
其他綜合收益:	Other comprehensive income:			
或可重新分類至損益賬之項目:	<u>Items that may be reclassified to</u>			
	<u>profit or loss:</u>			
於其他綜合收益按公允值處理之 金融資產公允值的變動	Fair value change on financial asset at fair value through other comprehensive income	16	(3)	-
出售可供出售金融資產	Disposal of available-for-sale financial asset		-	(6)
海外附屬公司、合營公司及 分公司換算之匯兌調整	Exchange adjustments on translation of overseas subsidiaries, joint ventures and branches		(39)	63
期內總綜合收益	Total comprehensive income for the period		249	335
應佔:	Attributable to:			
本公司股東	Shareholders of the Company		219	301
非控制性權益	Non-controlling interests		30	34
			249	335

合併資產負債表

CONSOLIDATED BALANCE SHEET

(以百萬港元為單位)	(In HK\$ million)	附註 Note	(未經審核) (Unaudited) 6月30日 June 30 2018	(經審核) (Audited) 12月31日 December 31 2017
資產	ASSETS			
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	11	218	234
投資物業	Investment properties	12	27	28
商譽	Goodwill	13	546	546
合營公司權益	Interest in joint ventures		519	563
可供出售金融資產	Available-for-sale financial asset	15	—	16
於其他綜合收益按公允值處理之 金融資產	Financial asset at fair value through other comprehensive income	16	13	—
於損益賬按公允值處理之 金融資產	Financial asset at fair value through profit or loss	17	28	28
租賃土地及租金預付款項	Leasehold land and rental prepayments	14	143	147
租賃按金	Rental deposits		123	135
遞延稅項資產	Deferred tax assets		49	51
			1,666	1,748
流動資產	Current assets			
存貨	Inventories		499	524
租賃土地及租金預付款項	Leasehold land and rental prepayments	14	58	58
應收賬款及其他應收款	Trade and other receivables	18	508	527
現金及銀行結存	Cash and bank balances	19	1,522	1,465
			2,587	2,574
資產總額	Total assets		4,253	4,322

合併資產負債表(續)

CONSOLIDATED BALANCE SHEET (continued)

(以百萬港元為單位)	(In HK\$ million)	附註 Note	(未經審核) (Unaudited) 6月30日 June 30 2018	(經審核) (Audited) 12月31日 December 31 2017
權益及負債	EQUITY AND LIABILITIES			
股本及儲備	Capital and reserves			
股本	Share capital	20	79	79
儲備	Reserves		2,508	2,528
擬派股息	Proposed dividends	10	268	314
本公司股東應佔權益	Equity attributable to shareholders of the Company		2,855	2,921
非控制性權益	Non-controlling interests		206	220
權益總額	Total equity		3,061	3,141
非流動負債	Non-current liabilities			
授出認沽期權負債	Put option liabilities	21	6	6
遞延稅項負債	Deferred tax liabilities		118	127
			124	133
流動負債	Current liabilities			
應付賬款及其他應付款	Trade and other payables	22	505	484
授出認沽期權負債	Put option liabilities	21	121	121
銀行貸款	Bank loans	23	298	298
應付所得稅	Income tax payables		144	145
			1,068	1,048
負債總額	Total liabilities		1,192	1,181
權益及負債總額	Total equity and liabilities		4,253	4,322
淨流動資產	Net current assets		1,519	1,526
資產總額減流動負債	Total assets less current liabilities		3,185	3,274

合併權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

本公司股東應佔權益
Attributable to shareholders of the Company

(未經審核) (以百萬港元為單位)	(Unaudited) (In HK\$ million)	股本 Share capital	繳入盈餘 Contributed surplus	資本贖回 儲備 Capital redemption reserve	股份溢價 Share premium	購股權 儲備 Share options reserve	匯兌儲備 Exchange reserve	其他儲備 Other reserves	可供出售 金融資產 儲備 Available-for-sale financial asset reserve	於其他綜合收益 按公允價值處理之金 融資產儲備 Financial asset at fair value through other comprehensive income reserve		滾存溢利 Retained profits	合計 Total	非控制性 權益 Non-controlling interests	權益總額 Total equity
於2018年1月1日	At January 1, 2018	79	383	3	945	19	46	70	7	-	1,369	2,921	220	3,141	
期內溢利	Profit for the period	-	-	-	-	-	-	-	-	-	254	254	37	291	
其他綜合收益：	Other comprehensive income:														
- 於其他綜合收益 按公允價值處理之 金融資產公允價值 的變動	- Fair value change on financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(3)	-	(3)	-	(3)	
- 海外附屬公司、 合營公司及分 公司換算之匯兌 調整	- Exchange adjustment on translation of overseas subsidiaries, joint ventures and branches	-	-	-	-	-	(32)	-	-	-	-	(32)	(7)	(39)	
總綜合收益	Total comprehensive income	-	-	-	-	-	(32)	-	-	(3)	254	219	30	249	
與股東交易：	Transactions with shareholders:														
儲備間撥轉	Transfer among reserves	-	-	-	-	(2)	-	(1)	(7)	7	3	-	-	-	
購股權計劃	Share option schemes														
- 因行使購股權 而發行之股份	- Shares issued upon exercise of share options	-	-	-	28	-	-	-	-	-	-	28	-	28	
- 購股權費用	- Share option expense	-	-	-	-	2	-	-	-	-	-	2	-	2	
非控制性權益股息	Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(44)	(44)	
2017年末期股息(附註10)	2017 final dividends (Note 10)	-	-	-	-	-	-	-	-	-	(315)	(315)	-	(315)	
本公司股東出資及 向本公司股東 分派總額	Total contributions by and distributions to shareholders of the Company	-	-	-	28	-	-	(1)	(7)	7	(312)	(285)	(44)	(329)	
與股東總交易	Total transactions with shareholders	-	-	-	28	-	-	(1)	(7)	7	(312)	(285)	(44)	(329)	
於2018年6月30日	At June 30, 2018	79	383	3	973	19	14	69	-	4	1,311	2,855	206	3,061	

合併權益變動表(續)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

2017年之比較數字如下:

The comparative figures for 2017 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	股份溢價	購股權	匯兌儲備	其他儲備	可供出售	滾存溢利	合計	非控制性	權益總額
(未經審核)	(Unaudited)	Share	Contributed	Capital	Share	Share	Exchange	Other	Available-	Retained	Total	controlling	Total
(以百萬港元為單位)	(In HK\$ million)	capital	surplus	redemption	premium	options	reserve	reserves	for-sale	profits		interests	equity
				reserve		reserve	reserve		financial				
於2017年1月1日	At January 1, 2017	79	383	3	920	14	(80)	74	22	1,370	2,785	182	2,967
期內溢利	Profit for the period	—	—	—	—	—	—	—	—	245	245	33	278
其他綜合收益:	Other comprehensive income:												
— 出售可供出售	— Disposal of available-for-												
金融資產	sale financial asset	—	—	—	—	—	—	—	(6)	—	(6)	—	(6)
— 海外附屬公司、	— Exchange adjustment on												
合營公司及分	translation of overseas												
公司換算之	subsidiaries, joint												
匯兌調整	ventures and branches	—	—	—	—	—	62	—	—	—	62	1	63
總綜合收益	Total comprehensive income	—	—	—	—	—	62	—	(6)	245	301	34	335
與股東交易:	Transactions with shareholders:												
儲備間撥轉	Transfer among reserves	—	—	—	—	(1)	—	—	—	1	—	—	—
購股權計劃	Share option schemes												
— 因行使購股權	— Shares issued upon												
而發行之股份	exercise of share												
	options	—	—	—	6	—	—	—	—	—	6	—	6
— 購股權費用	— Share option expense	—	—	—	—	4	—	—	—	—	4	—	4
非控制性權益股息	Dividends to non-controlling												
	interests	—	—	—	—	—	—	—	—	—	—	(13)	(13)
2016年末期股息	2016 final dividends (Note 10)												
(附註10)		—	—	—	—	—	—	—	—	(236)	(236)	—	(236)
購回及註銷之股份	Shares repurchased and												
	cancelled	—	—	—	—	—	—	—	—	(2)	(2)	—	(2)
購回但未註銷之股份	Shares repurchased but												
	not yet cancelled	—	—	—	—	—	—	—	—	(4)	(4)	—	(4)
本公司股東出資及	Total contributions by and												
向本公司股東分派	distributions to shareholders												
總額	of the Company	—	—	—	6	3	—	—	—	(241)	(232)	(13)	(245)
與股東總交易	Total transactions with												
	shareholders	—	—	—	6	3	—	—	—	(241)	(232)	(13)	(245)
於2017年6月30日	At June 30, 2017	79	383	3	926	17	(18)	74	16	1,374	2,854	203	3,057

合併現金流量表

CONSOLIDATED CASH FLOW STATEMENT

		(未經審核) (Unaudited)		
		截至6月30日止六個月		
		Six months ended June 30		
(以百萬港元為單位)	(In HK\$ million)	附註 Note	2018	2017
經營業務：	Operating activities:			
除所得稅前溢利	Profit before income taxes		375	352
調整：	Adjustments for:			
應佔合營公司溢利	Share of profit of joint ventures		(29)	(23)
租賃土地及租金預付款項攤銷	Amortization of leasehold land and rental prepayments	14	36	37
利息收入	Interest income	6	(10)	(8)
物業、機器及設備折舊	Depreciation of property, plant and equipment	11	53	50
投資物業折舊	Depreciation of investment properties	12	1	—
出售物業、機器及設備之淨虧損	Net loss on disposal of property, plant and equipment	6	1	1
出售可供出售金融資產之收益	Gain on disposal of available-for-sale financial asset	6	—	(6)
陳舊存貨撥備及存貨撇銷	Provision for obsolete stock and stock written off	7	8	5
購股權費用	Share option expense		2	4
融資費用	Finance expense		2	2
匯兌調整	Exchange difference		(10)	9
營運資金、利息及所得稅變動前之經營現金流入	Operating cash inflow before changes in working capital, interest and income taxes		429	423
存貨之減少／(增加)	Decrease/(increase) in inventories		17	(19)
應收賬款及其他應收款之減少	Decrease in trade and other receivables		19	3
應付賬款及其他應付款之增加	Increase in trade and other payables		21	25
經營活動所產生之現金	Cash generated from operations		486	432
已付利息	Interest paid		(2)	(2)
已付香港利得稅	Hong Kong profits tax paid		(24)	(11)
已付海外稅項	Overseas tax paid		(68)	(42)
經營業務之現金流入淨額	Net cash inflow from operating activities		392	377

合併現金流量表(續)

CONSOLIDATED CASH FLOW STATEMENT (continued)

		(未經審核) (Unaudited)		
		截至6月30日止六個月		
		Six months ended June 30		
(以百萬港元為單位)	(In HK\$ million)	附註 Note	2018	2017
投資業務：				
購買物業、機器及設備	Purchase of property, plant and equipment	11	(40)	(45)
租賃土地及租金預付款項之增加	Increase in leasehold land and rental prepayments	14	(35)	(29)
租賃按金之減少	Decrease in rental deposits		12	9
出售可供出售金融資產之所得款	Proceeds from disposal of an available-for-sale financial asset		—	8
銀行定期存款之減少／(增加)	Decrease/(increase) in bank time deposits		42	(92)
已收利息	Interest received		10	8
已收合營公司股息	Dividends received from joint ventures		54	41
投資業務之現金流入／(流出)淨額	Net cash inflow/(outflow) from investing activities		43	(100)
融資業務：				
發行股本所得款項	Proceeds from issue of shares		28	6
股份購回	Share repurchase		—	(6)
已付非控制性權益股息	Dividends paid to non-controlling interests		(44)	(13)
已付股息	Dividends paid		(315)	(236)
融資業務之現金流出淨額	Net cash outflow from financing activities		(331)	(249)
現金及現金等值項目之增加	Increase in cash and cash equivalents		104	28
期初現金及現金等值項目	Cash and cash equivalents at the beginning of the year		1,150	1,156
現金及現金等值項目外幣匯率變動之影響	Effect of foreign exchange rate changes on cash and cash equivalents		(5)	18
期末現金及現金等值項目	Cash and cash equivalents at the end of the period	19	1,249	1,202
現金及現金等值項目結存之分析				
現金及銀行結存	Cash and bank balances	19	1,522	1,531
減：存款日起三個月以上到期之銀行存款	Less: Bank deposits with maturity over three months from date of deposit		(273)	(329)
			1,249	1,202

未經審核簡明合併中期財務報表附註

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. 編製基準

此截至2018年6月30日止六個月之未經審核簡明合併中期財務報表(「未經審核中期業績」)乃按照香港會計師公會頒布之香港會計準則第34號「中期財務報告」編製。讀者應將此未經審核中期業績連同截至2017年12月31日止年度經審核年度財務報表一併閱覽，2017年年度財務報表乃按照香港財務報告準則(「香港財務報告準則」)編製。

除特別註明外，此未經審核中期業績以百萬港元(「百萬港元」)為單位列賬。編製此未經審核中期業績所採用之會計政策及計算方法與編製截至2017年12月31日止年度的年度財務報表所用相同。

此未經審核中期業績之所得稅乃按照預期年度總盈利適用之稅率予以計提。

此未經審核中期業績已於2018年8月9日獲董事會通過。

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements (the “unaudited interim results”) for the six months ended June 30, 2018 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants. Readers should read the unaudited interim results in conjunction with the audited annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The unaudited interim results are in million of Hong Kong dollars (“HK\$ million”), unless otherwise stated. The accounting policies and methods of computation used in the preparation of the unaudited interim results are consistent with those used in the annual financial statements for the year ended December 31, 2017.

These unaudited interim results accrue income taxes on taxable income using tax rates that would be applicable to expected total annual taxable income.

The Board approved the unaudited interim results for issue on August 9, 2018.

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2 主要會計政策

(a) 新增及經修改準則之影響

本集團已應用以下準則及修訂，並於2018年1月1日或之後開始之本集團財政年度生效：

- 香港財務報告準則第9號金融工具；及
- 香港財務報告準則第15號客戶合約之收益。

(i) 香港財務報告準則第9號金融工具 – 採納影響

香港財務報告準則第9號列載確認及計量金融資產、金融負債、金融資產減值及對沖會計之規定。採納香港財務報告準則第9號後，本集團之可供出售金融資產已重新分類至於其他綜合收益按公允值處理之金融資產（「於其他綜合收益按公允值處理之金融資產」）。於其他綜合收益按公允值處理之金融資產的會計處理大致維持不變，惟出售於其他綜合收益按公允值處理之金融資產實現的收益或虧損，於出售時將不會轉撥至損益賬，而是在同一項下由於其他綜合收益按公允值處理之金融資產儲備重新分類至滾存溢利。由於新規定僅影響指定於損益賬按公允值處理之金融負債的會計處理，而本集團並無任何該等負債，因此，本集團的金融負債將不會受影響。

2 PRINCIPAL ACCOUNTING POLICIES

(a) Impact of new and amended standards

The Group has applied the following standards and amendments which are effective for the Group's financial year beginning on or after January 1, 2018:

- HKFRS 9 *Financial Instruments*; and
- HKFRS 15 *Revenue from Contracts with Customers*.

(i) HKFRS 9 *Financial Instruments* – Impact of adoption

HKFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities, impairment of financial assets and hedge accounting. Upon adoption of HKFRS 9, the Group's available-for-sale financial asset have been reclassified to financial asset at fair value through other comprehensive income ("FVOCI"). The accounting for FVOCI remains largely the same, except that gains or losses realized upon the disposal of financial asset at FVOCI will no longer be transferred to profit or loss on disposal, but instead reclassified below the line from the FVOCI reserve to retained earnings. For the Group's financial liabilities, there will be no impact, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

2 主要會計政策(續)

(a) 新增及經修改準則之影響(續)

(i) 香港財務報告準則第9號金融工具 – 採納影響(續)

於2018年1月1日對本集團的未經審核中期業績的總影響列載如下：

對本集團之未經審核簡明合併中期財務報表的影響

下表列載對各個別項目的影響。概無包括不受變動影響的項目。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Impact of new and amended standards (continued)

(i) HKFRS 9 Financial Instruments – Impact of adoption (continued)

The total impact on the Group's unaudited interim result as at January 1, 2018 is as follows:

Impact on the Group's unaudited condensed consolidated interim financial statements

The following tables show the impact on each individual line item. Line items that were not affected by the changes have not been included.

(以百萬港元為單位)	(In HK\$ million)	於2017年 12月31日 原列 As at December 31, 2017 As originally presented	初次採納 香港財務 報告準則 第9號的影響 Impact on initial adoption of HKFRS 9	於2018年 1月1日 重列 As at January 1, 2018 Restated
合併資產負債表 (摘錄)	Consolidated Balance Sheet (extract)			
非流動資產	Non-current assets			
於其他綜合收益按 公允值處理之 金融資產	Financial asset at fair value through other comprehensive income	—	16	16
可供出售金融資產	Available-for-sale financial asset	16	(16)	—

未經審核簡明合併中期財務報表附註(續)
 NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)

2 主要會計政策(續)

(a) 新增及經修改準則之影響(續)

(i) 香港財務報告準則第9號金融
 工具 – 採納影響(續)

對本集團之未經審核簡明合併中
 期財務報表的影響(續)

(以百萬港元為單位)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Impact of new and amended standards
 (continued)

(i) HKFRS 9 Financial Instruments – Impact of
 adoption (continued)

Impact on the Group's unaudited condensed
 consolidated interim financial statements
 (continued)

		可供出售 金融資產 儲備	對於其他 綜合收益 按公允值 處理之金融 資產儲備 的影響 Effect on financial asset at fair value through other comprehensive income reserve
	(In HK\$ million)	Available-for- sale financial asset reserve	through other comprehensive income reserve
於2017年12月31日的年初結餘	Opening balance as at December 31, 2017	7	—
重新分類可供出售金融資產儲備 至於其他綜合收益按公允值 處理之金融資產儲備	Reclassify available-for-sale financial asset reserve to financial asset at fair value through other comprehensive income reserve	(7)	7
於2018年1月1日的年初結餘	Opening balance as at January 1, 2018	—	7

(ii) 香港財務報告準則第15號客
 戶合約之收益 – 採納影響

香港財務報告準則第15號取代香
 港會計準則第18號涵蓋貨品及服
 務合同及香港會計準則第11號涵
 蓋建築合同。新準則的原則為收
 入於貨品或服務的控制權轉移至
 客戶時確認。

自2018年1月1日起，本集團已採
 納香港財務報告準則第15號客戶
 合約之收益。採納香港財務報告
 準則第15號對本集團概無重大影
 響。

(ii) HKFRS 15 Revenue from Contracts with
 Customers – Impact of adoption

HKFRS 15 replaces HKAS 18 which covers contracts
 for goods and services and HKAS 11 which covers
 construction contracts. The new standard is based on
 the principle that revenue is recognized when control
 of a good or service transfers to a customer.

The Group has adopted HKFRS 15 Revenue from
 Contracts with Customers from January 1, 2018. The
 adoption on HKFRS 15 has no significant impact on
 the Group.

未經審核簡明合併中期財務報表附註(續)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (continued)

2 主要會計政策(續)

(b) 已頒佈但尚未生效的新增及經修改之香港財務報告準則

香港財務報告準則第16號租賃

香港財務報告準則第16號將會導致幾乎所有租賃須在資產負債表內確認，因為對經營和融資租賃的劃分已被刪除。根據該新準則，資產(該租賃項目的使用權)和支付租金的金融負債須被確認。唯一例外者為短期和低價值租賃。對出租人的會計處理將不會有重大變動。該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團有不可撤銷的經營租賃承擔為14.43億港元。然而，本集團未能確定該等承擔將導致資產及負債就未來付款確認的程度，以及此舉將如何影響本集團的利潤及現金流量分類。該新準則於2019年1月1日或之後開始的財政年度強制生效。目前，本集團無意於生效日期前採納準則。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(b) New and revised HKFRSs in issue but not yet effective

HKFRS 16 Leases

HKFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$1,443 million. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows. The new standard is mandatory for financial years commencing on or after January 1, 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

3. 財務風險管理

3.1 財務風險因素

本集團之業務承受各類財務風險：匯兌風險、現金流量利率風險、信貸風險、流動資金風險及公允值估計。

未經審核之中期財務業績並不包括年度財務報表所需之全部財務風險管理資料及披露，故應與本集團於2017年12月31日之年度的經審核財務報表一併閱讀。

風險管理由本集團之高級管理層負責推行。期內，公允值的各個等級之間並無任何資產轉移，且概無任何業務或經濟環境方面之重大變動，而足以影響本集團之金融資產及金融負債公允值。於2018年6月30日，概無任何金融資產之重新分類。

3.2 流動資金風險

與年終相比，概無有關金融負債之合約未貼現現金流出之任何重大變動。所有合約金融負債均於一年內到期。

3.3 公允值估計

於2018年6月30日，以公允值計量之金融資產為於其他綜合收益按公允值處理之金融資產(附註16)及於損益賬按公允值處理之金融資產(附註17)。於損益賬按公允值處理之金融資產之公允值採用並非以可觀察的市場數據作為基礎之輸入數據(即不可觀察輸入數據)釐定，根據香港財務報告準則第7號之公允值階級組織分類為第三級。於其他綜合收益按公允值處理之金融資產之公允值是根據相同資產在活躍市場之報價(未經調整)釐定，根據香港財務報告準則第7號之公允值階級組織分類為第一級。

就第三級之公允值評估，本集團於年末委任專業估值公司評估公允值。估值中所採用之輸入數據及假設，均會由管理層跟專業估值公司之間互相討論。

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to variety of financial risks: foreign exchange currency risk, cash flow interest rate risk, credit risk, liquidity risk and fair value estimation.

The unaudited interim financial results do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual financial statements as at December 31, 2017.

Risk management is carried out by senior management of the Group. During the period, there was no transfer of assets between the levels in the fair value hierarchy and there were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities. There was no reclassification of financial assets as at June 30, 2018.

3.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities. All contractual financial liabilities are due within one year.

3.3 Fair value estimation

The financial assets that are measured at fair value at June 30, 2018 are the FVOCI (Note 16) and financial asset at fair value through profit or loss (Note 17). The fair value of financial assets at fair value through profit or loss is determined using inputs that are not based on observable market data (unobservable inputs), which is categorized as Level 3 under the fair value hierarchy pursuant to HKFRS 7. The fair value of FVOCI is determined using quoted prices (unadjusted) in active markets for identical assets, which is categorized as Level 1 under the fair value hierarchy pursuant to HKFRS 7.

For Level 3 fair value assessment, the Group engaged professional valuation firm at year end to assess the fair value. The inputs and assumptions used in the valuation are discussed between the professional valuation firm and management.

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

4. 重要會計估計及判斷

編製該等未經審核之中期財務業績需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響會計政策之應用及所申報之資產及負債、收入及開支等數額。實際業績或會有別於該等估計。

於編製該等未經審核之中期財務業績時，管理層就應用本集團之會計政策方面所作出之重大判斷以及估計不明朗因素之主要來源，與截至2017年12月31日止年度之綜合財務報表所應用一致。

5. 營運分部

本集團按發展策略以及營運控制以釐定其營運分部。主要分為兩個營運分部：零售及分銷及對海外加盟商之批發銷售。管理層以地區及品牌之角度來管理零售及分銷之營運分部。

按照地區，零售及分銷營運分部於中國大陸及中東包含直營店及加盟店。香港及澳門、台灣及亞太其他地區市場並沒有重大之當地加盟店。集團門市遍佈在大部份亞太地區以及中東。

品牌方面，本集團現時經營 *Giordano* 及 *Giordano Junior*、*Giordano Ladies*、*BSX* 以及其他自有及授權經營之品牌。

分部經營溢利乃未計融資費用、應佔合營公司溢利及所得稅，並以此計量基礎向管理層及高級決策者匯報以作資源分配及評估分部表現。

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unaudited interim financial results requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited interim financial results, the significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2017.

5. OPERATING SEGMENTS

The Group determines its operating segments based on its development strategies and operational control. There are two major operating segments: Retail and Distribution and Wholesale sales to Overseas Franchisees. Management manages the Retail and Distribution operating segment geographically and by brand.

Geographically, the Retail and Distribution operating segment in Mainland China and the Middle East comprise DOS and franchised stores. Hong Kong and Macau, Taiwan and the rest of Asia Pacific do not have material local franchised stores. Group stores span most of Asia Pacific and the Middle East.

As for brands, the Group presently operates *Giordano* and *Giordano Junior*, *Giordano Ladies*, *BSX* as well as other owned and licensed brands.

Segment operating profit is before finance expense, share of profit of joint ventures and income taxes. This is the measurement basis reported to management and the senior decision-makers for the purpose of resource allocation and assessment of segment performance.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

5. 營運分部(續)

本集團之營運分部銷售額及經營溢利按地區之分析如下。

5. OPERATING SEGMENTS (continued)

Analysis of sales and operating profit of the Group's operating segment by geographic regions is as follows.

		截至6月30日止六個月 Six months ended June 30			
		2018		2017	
(以百萬港元為單位)	(In HK\$ million)	銷售額 Sales	經營溢利 Operating profit	銷售額 Sales	經營溢利 Operating profit
零售及分銷	Retail and Distribution				
中國大陸	Mainland China	680	53	605	48
香港及澳門	Hong Kong and Macau	478	47	473	45
台灣	Taiwan	355	39	304	27
亞太其他地區	The rest of Asia Pacific	838	124	705	89
中東	The Middle East	336	50	352	71
		2,687	313	2,439	280
對海外加盟商之批發 銷售額	Wholesale sales to overseas franchisees	173	21	179	29
分部業績	Segment results	2,860	334	2,618	309
總部職能	Corporate functions		14		22
融資費用	Finance expense		(2)		(2)
應佔合營公司溢利	Share of profit of joint ventures		29		23
除所得稅前溢利	Profit before income taxes		375		352

未經審核簡明合併中期財務報表附註(續)
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (continued)

5. 營運分部(續)

以品牌劃分之零售及分銷營運分部之進一步分析如下。

5. OPERATING SEGMENTS (continued)

Further analysis of the Retail and Distribution operating segment by brand is as follows.

		截至6月30日止六個月 Six months ended June 30			
		2018		2017	
(以百萬港元為單位)	(In HK\$ million)	銷售額 Sales	經營溢利 Operating profit	銷售額 Sales	經營溢利 Operating profit
零售及分銷	Retail and Distribution				
<i>Giordano</i> 及 <i>Giordano Junior</i>	<i>Giordano and Giordano Junior</i>	2,284	266	2,080	247
<i>Giordano Ladies</i>	<i>Giordano Ladies</i>	223	38	203	28
<i>BSX</i>	<i>BSX</i>	68	3	67	3
其他	Others	112	6	89	2
		2,687	313	2,439	280

本公司駐於香港。其於香港及澳門錄得對外客戶之銷售額為6.51億港元(2017年: 6.52億港元)，於中國大陸為6.80億港元(2017年: 6.05億港元)，而於其他市場對外客戶之銷售額為15.29億港元(2017年: 13.61億港元)。

The Company has its domicile in Hong Kong. Sales to external customers recorded in Hong Kong and Macau are HK\$651 million (2017: HK\$652 million), Mainland China HK\$680 million (2017: HK\$605 million) and external customers from other markets HK\$1,529 million (2017: HK\$1,361 million).

分部之間之銷售額為6.41億港元(2017年: 5.56億港元)已予合併對銷。

Inter-segment sales of HK\$641 million (2017: HK\$556 million) have been eliminated upon consolidation.

6. 其他收入及其他收益，淨額

6. OTHER INCOME AND OTHER GAINS, NET

		截至6月30日止六個月 Six months ended June 30	
(以百萬港元為單位)	(In HK\$ million)	2018	2017
特許權收入	Royalty income	15	19
匯兌收益淨額	Net exchange gain	—	9
利息收入	Interest income	10	8
租金收入	Rental income	7	7
出售可供出售金融資產之收益	Gain on disposal of available-for-sale financial asset	—	6
出售物業、機器及設備之淨虧損	Net loss on disposal of property, plant and equipment	(1)	(1)
其他	Others	5	12
		36	60

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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7. 經營溢利

經營溢利已扣除：

7. OPERATING PROFIT

Operating profit is after charging:

(以百萬港元為單位)	(In HK\$ million)	截至6月30日止六個月	
		2018	2017
銷售成本	Cost of sales		
存貨銷售成本	Cost of inventories sold	1,158	1,047
陳舊存貨撥備及存貨撇銷	Provision for obsolete stock and stock written off	8	5
		1,166	1,052
分銷費用	Distribution expense		
土地及樓宇之經營租賃費用	Operating lease rentals in respect of land and building		
— 最低租金支出	— Minimum lease payments	411	415
— 或然租金費用	— Contingent rent	126	108
員工成本	Staff cost	415	368
廣告宣傳、推廣及激勵措施	Advertising, promotion and incentives	67	56
物業管理費、政府差餉及公用事業費用	Building management fee, government rates and utilities	66	60
物業、機器及設備折舊	Depreciation of property, plant and equipment	50	47
包裝及運輸	Packaging and deliveries	28	24
銀行及信用卡收費	Bank and credit card charges	18	16
租賃土地預付款項攤銷	Amortization of leasehold land prepayments	3	3
其他	Others	58	49
		1,242	1,146
行政費用	Administrative expense		
員工成本	Staff cost	88	93
法律及專業費用	Legal and professional fee	13	11
土地及樓宇之經營租賃費用	Operating lease rentals in respect of land and building		
— 最低租金支出	— Minimum lease payments	8	8
電腦及通訊	Computer and telecommunication	4	5
物業、機器及設備和投資物業折舊	Depreciation of property, plant and equipment and investment properties	4	3
差旅費	Travelling	3	3
核數師酬金	Auditor's remuneration	3	3
營業及其他稅項	Business and other taxes	1	2
租賃土地預付款項攤銷	Amortization of leasehold land prepayments	—	1
其他	Others	16	20
		140	149

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

8. 所得稅

香港利得稅是根據期內之估計應課稅溢利按16.5%(2017年:16.5%)之稅率計算。香港以外溢利之應繳所得稅乃按個別司法地區適用之稅率計算。

8. INCOME TAXES

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the period. Income taxes on profits assessable outside Hong Kong are calculated at the rates applicable in the respective jurisdictions.

		截至6月30日止六個月 Six months ended June 30	
(以百萬港元為單位)	(In HK\$ million)	2018	2017
本期所得稅	Current income taxes		
香港	Hong Kong	16	11
香港以外	Outside Hong Kong	50	49
扣繳稅項	Withholding taxes	22	19
		88	79
遞延所得稅	Deferred income taxes		
短暫性差異之衍生及撥回	Origination and reversal of temporary differences	(4)	(5)
		84	74

此所得稅支出不包括期內應佔合營公司之所得稅800萬港元(2017年:700萬港元)。於合併利潤表中之應佔合營公司溢利乃扣除該司法地區適用之所得稅計提。

This charge excludes the share of joint ventures' income taxes for the period of HK\$8 million (2017: HK\$7 million). The share of profit of joint ventures in the consolidated income statement is after income taxes accrued in the appropriate income tax jurisdictions.

9. 每股盈利

每股基本及攤薄盈利乃按期內本公司股東應佔除所得稅後溢利2.54億港元(2017年:2.45億港元)計算。

9. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the profit after income taxes attributable to shareholders of the Company for the period of HK\$254 million (2017: HK\$245 million).

每股基本盈利乃按截至2018年6月30日止六個月內已發行股份之加權平均股數1,572,298,198股(2017年:1,571,522,993股)計算。

The basic earnings per share is based on the weighted average of 1,572,298,198 shares (2017: 1,571,522,993 shares) in issue during the six months ended June 30, 2018.

每股攤薄盈利乃按期內已發行股份之加權平均股數1,572,298,198股(2017年:1,571,522,993股)加上假設根據本公司購股權計劃授出之所有尚未行使購股權皆獲行使而發行之股份之加權平均股數7,353,029股(2017年:2,402,199股)計算。

The diluted earnings per share is calculated by adjusting the weighted average of 1,572,298,198 shares (2017: 1,571,522,993 shares) in issue during the period by the weighted average of 7,353,029 shares (2017: 2,402,199 shares) deemed to be issued if all outstanding share options granted under the share option schemes of the Company had been exercised.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

10. 股息

10. DIVIDENDS

(以百萬港元為單位)	(In HK\$ million)	截至6月30日止六個月 Six months ended June 30	
		2018	2017
已宣派中期股息為每股17.0港仙 (2017年：每股15.0港仙)	Interim dividend declared of 17.0 HK cents per share (2017: 15.0 HK cents per share)	268	235
已派發之2017年 末期股息為每股20.0港仙 (2016年：每股15.0港仙)	2017 final dividend paid of 20.0 HK cents per share (2016: 15.0 HK cents per share)	315	236

2017年末期股息乃按本公司於2018年6月8日之已發行股份總數派發。

The payment for 2017 final dividend was based on the total number of issued shares of the Company on June 8, 2018.

於2018年8月9日，董事會宣派中期股息為每股17.0港仙(2017年：每股15.0港仙)。此項中期股息在結算當日並無確認為負債。

On August 9, 2018, the Board declared an interim dividend of 17.0 HK cents per share (2017: 15.0 HK cents per share). The interim dividend has not been recognized as a liability at the balance sheet date.

11. 物業、機器及設備

11. PROPERTY, PLANT AND EQUIPMENT

(以百萬港元為單位)	(In HK\$ million)	截至6月30日 止六個月 Six months ended June 30	截至12月31日 止年度 Year ended December 31
		2018	2017
期初之賬面淨值	Opening net book value	234	221
換算差額	Translation difference	(2)	11
添置	Additions	40	109
減值	Impairment	—	(1)
折舊	Depreciation	(53)	(102)
轉出	Transfer out	—	(2)
出售	Disposals	(1)	(2)
期末之賬面淨值	Closing net book value	218	234

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

12. 投資物業

12. INVESTMENT PROPERTIES

<i>(以百萬港元為單位)</i>	<i>(In HK\$ million)</i>	截至6月30日 止六個月 Six months ended June 30 2018	截至12月31日 止年度 Year ended December 31 2017
期初之賬面淨值	Opening net book value	28	—
轉入	Transfer in	—	28
折舊	Depreciation	(1)	—
期末之賬面淨值	Closing net book value	27	28

13. 商譽

13. GOODWILL

<i>(以百萬港元為單位)</i>	<i>(In HK\$ million)</i>	截至6月30日 止六個月 Six months ended June 30 2018	截至12月31日 止年度 Year ended December 31 2017
期初及期末之賬面淨值	Opening and closing net book value	546	546

未經審核簡明合併中期財務報表附註(續)
 NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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14. 租賃土地及租金預付款項

14. LEASEHOLD LAND AND RENTAL PREPAYMENTS

		租賃土地 預付款項 Leasehold land prepayments	租金 預付款項 Rental prepayments	合計 Total 截至6月30日 止六個月 Six months ended June 30	截至12月31日 止年度 Year ended December 31
		2018	2018	2018	2017
(以百萬港元為單位)	(In HK\$ million)				
期初之賬面淨值	Opening net book value	121	84	205	243
換算差額	Translation difference	—	(3)	(3)	4
添置	Additions	—	35	35	57
攤銷	Amortization	(3)	(33)	(36)	(73)
轉出	Transfer out	—	—	—	(26)
期末之賬面淨值	Closing net book value	118	83	201	205
短期部分	Current portion	(6)	(52)	(58)	(58)
長期部分	Long-term portion	112	31	143	147

15. 可供出售金融資產

15. AVAILABLE-FOR-SALE FINANCIAL ASSET

		截至6月30日 止六個月 Six months ended June 30	截至12月31日 止年度 Year ended December 31
		2018	2017
(以百萬港元為單位)	(In HK\$ million)		
期初之公允值	Opening fair value	16	35
公允值之變動轉入可供出售 金融資產儲備	Change in fair value transferred to available- for-sale financial asset reserve	—	(6)
出售	Disposal	—	(13)
轉出	Transfer out	(16)	—
期末之公允值	Closing fair value	—	16

於2018年1月1日，可供出售金融資產指於迅捷環球控股有限公司(「迅捷環球」)3.21%之權益(2017年12月31日：3.21%)已轉撥至於其他綜合收益按公允值處理之金融資產。該資產是以港元計值。

As at January 1, 2018, available-for-sale financial asset represented 3.21% interests in Speedy Global Holdings Limited (“Speedy”) (December 31, 2017: 3.21%) had been transferred to FVOCI and are denominated in Hong Kong dollars.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
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16. 於其他綜合收益按公允值處理之金融資產 **16. FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

(以百萬港元為單位)	(In HK\$ million)	截至6月30日 止六個月 Six months ended June 30 2018	截至12月31日 止年度 Year ended December 31 2017
期初之公允值	Opening fair value	—	—
轉入	Transfer in	16	—
公允值之變動轉入於其他綜合收益 按公允值處理之金融資產儲備	Change in fair value transferred to FVOCI reserve	(3)	—
期末之公允值	Closing fair value	13	—

於2018年1月1日，其他綜合收益按公允值處理之金融資產指於迅捷環球3.21%之權益，由可供出售金融資產轉撥。該資產是以港元計值。迅捷環球從事成衣製造業務，是本集團的主要供應商之一。

於2018年6月30日，於其他綜合收益按公允值處理之金融資產之公允值是根據聯交所所載之股價釐定，根據香港財務報告準則第7號之公允值階級組織分類為第一級。

As at January 1, 2018, FVOCI represented 3.21% interests in Speedy, which had been transferred from available-for-sale financial asset and are denominated in Hong Kong dollars. Speedy is engaged in garment manufacturing business and is one of the key suppliers of the Group.

As at June 30, 2018, the fair value of the FVOCI is determined using its quoted price on the Stock Exchange, which is categorized as Level 1 under the fair value hierarchy pursuant to HKFRS 7.

未經審核簡明合併中期財務報表附註(續)
 NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)

17. 於損益賬按公允值處理之金融資產

於2008年6月27日，本集團訂立買賣協議出售Placita Holdings Limited (「Placita」) 21.0%權益。根據該協議，6,055,440股普通股代表本集團持有餘下30.0%已發行之股本總數被重新分類為6,055,440股Placita之優先股(「優先股」)。此外，本集團亦被授予優先股之認沽期權。

17. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

On June 27, 2008, the Group entered into a sale and purchase agreement to dispose of its 21.0% interest in Placita Holdings Limited ("Placita"). As part of the agreement, 6,055,440 ordinary shares representing the Group's remaining 30.0% of the total issued share capital of Placita were redesignated into 6,055,440 preference shares of Placita (the "Preference Shares"). Furthermore, the Group was granted a put option on the Preference Shares.

<i>(以百萬港元為單位)</i>	<i>(In HK\$ million)</i>	截至6月30日 止六個月 Six months ended June 30 2018	截至12月31日 止年度 Year ended December 31 2017
期初及期末之公允值	Opening and closing fair value	28	28

該可於損益賬按公允值處理之金融資產公允值是根據貼現現金流，決定於對該投資的各項於不可觀察市場上取得的資料(不可觀察輸入)，根據香港財務報告準則第7號之公允值階級組織分類為第三級。

The fair value of the financial asset at fair value through profit or loss is determined based on discounted cash flow, using inputs that are not based on observable market data (unobservable inputs), which is categorized as Level 3 under the fair value hierarchy pursuant to HKFRS 7.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

18. 應收賬款及其他應收款

18. TRADE AND OTHER RECEIVABLES

<i>(以百萬港元為單位)</i>	<i>(In HK\$ million)</i>	6月30日 June 30 2018	12月31日 December 31 2017
應收賬款	Trade receivables	263	301
減：減值撥備	Less: Provision for impairment	(7)	(7)
應收賬款淨值	Trade receivables, net	256	294
從發票日計已扣除減值撥備之 賬齡分析如下：	Aging analysis from the invoice date net of provision for impairment is as follows:		
0至30日	0 – 30 days	182	211
31至60日	31 – 60 days	29	44
61至90日	61 – 90 days	21	20
逾90日	Over 90 days	24	19
		256	294
其他應收款，包括訂金及預付 款項	Other receivables, including deposits and prepayments	252	233
		508	527

應收賬款主要來自加盟商、授權經營商及百貨公司之零售收入。本集團在正常情況下給予30至60日信貸期。應收賬款及其他應收款之賬面值與其公允值相若。

Trade receivables comprise mainly amounts due from franchisees, licensees and retail proceeds due from department stores. The Group normally allows a credit period of 30–60 days. The carrying amounts of trade and other receivables are stated approximately at their fair values.

19. 現金及銀行結存

19. CASH AND BANK BALANCES

<i>(以百萬港元為單位)</i>	<i>(In HK\$ million)</i>	6月30日 June 30 2018	12月31日 December 31 2017
現金及現金等值	Cash and cash equivalents	1,249	1,150
存款日起三個月以上到期之 銀行存款	Bank deposits with maturity over three months from date of deposits	273	315
		1,522	1,465

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

20. 股本

20. SHARE CAPITAL

<i>(除股份數目外， 以百萬港元為單位)</i>	<i>(In HK\$ million, except number of shares)</i>	股份數目 Number of shares	股本 Share capital
法定每股面值5港仙之普通股：	Authorized ordinary shares of HK\$0.05 each:		
於2017年1月1日、 2017年12月31日及 2018年6月30日	At January 1, 2017, December 31, 2017 and June 30, 2018	2,000,000,000	100
已發行及全數繳足：	Issued and fully paid:		
於2017年1月1日	At January 1, 2017	1,570,952,518	79
因行使購股權而發行之股份	Issue of shares pursuant to exercise of share options	6,852,000	—
購回及註銷之股份	Shares repurchased and cancelled	(7,174,000)	—
於2017年12月31日	At December 31, 2017	1,570,630,518	79
因行使購股權而發行之股份	Issue of shares pursuant to exercise of share options	6,988,000	—
期內註銷之股份	Shares cancelled during the period	(268,000)	—
於2018年6月30日	At June 30, 2018	1,577,350,518	79

根據本公司之購股權計劃，本公司已向購股權持有人(已於期內行使其購股權之權力)發行6,988,000股每股面值5港仙之新普通股。期內未獲行使之購股權數目變動載於第57頁至59頁標題為「購股權計劃」內。

Pursuant to the share option schemes of the Company, the Company issued 6,988,000 new ordinary shares of HK\$0.05 each in the capital of the Company to option-holders who exercised their rights attached to share options during the period. Movements in the number of the outstanding share options during the period is set out on pages 57 to 59 under the heading "SHARE OPTION SCHEMES".

本公司發行之所有新普通股與本公司當時之現有股份在各方面均享有同等權益。

All the new ordinary shares issued by the Company ranked pari passu with the then existing shares of the Company in all respects.

於2018年6月30日，一家合營公司持有本公司1,800,000股普通股股份(2017年12月31日：1,800,000股普通股股份)。

As at June 30, 2018, 1,800,000 ordinary shares (December 31, 2017: 1,800,000 ordinary shares) were held by a joint venture.

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

20. 股本(續)

於2017年12月31日止年度內，根據本公司股東向董事會授出的一般授權，本公司已於聯交所購回合共7,442,000股本公司普通股股份，總代價為3,200萬港元，當中7,174,000股已購回之股份已註銷及本公司已發行股本已按該等股份之面值削減。餘下的268,000股股份其後於2018年1月11日註銷。該等268,000股股份於2017年12月31日被確認為庫存股。就購回已付及應付之溢價已計入本公司之滾存溢利。相同於已註銷股份面值之款額已由滾存溢利轉撥至資本贖回儲備。

自2018年1月1日至此未經審核中期業績之核准日，本公司沒有於聯交所購回普通股股份。

21. 授出認沽期權負債

於2012年，本集團就向Giordano Fashions (L.L.C.)(「Giordano UAE」)及Textile and Ready Garments Co. Ltd.(「Giordano KSA」)之非控股股東授出認沽期權，以供其出售於此等公司之餘下權益予本集團所產生的財務負債而確認負債約1.02億港元。該授出認沽期權於本集團完成收購Giordano UAE及Giordano KSA之股份3年後隨時可行使，而且無到期日期。該等財務負債初步按其公允值確認，即估計贖回金額的現金。授出認沽期權負債以美元(「美元」)計值及列為流動負債。

於2015年，本集團就向Giordano Fashions W.L.L.(「Giordano KW」)及GIO Fashions W.L.L.(「Giordano QA」)之非控股股東授出認沽期權，以供其出售於此等公司之餘下權益予本集團所產生的財務負債而確認負債約1,900萬港元。該授出認沽期權於本集團完成收購Giordano KW及Giordano QA之股份3年後隨時可行使，而且無到期日期。該等財務負債初步按其公允值確認，即估計贖回金額的現金。授出認沽期權負債以美元計值及列為流動負債。

20. SHARE CAPITAL (continued)

During the year ended December 31, 2017, pursuant to the general mandate granted by the shareholders of the Company to the Board, the Company repurchased a total of 7,442,000 of its ordinary shares on the Stock Exchange at a total consideration of HK\$32 million, in which 7,174,000 repurchased shares were cancelled and the issued share capital of the Company was reduced by the nominal value of the cancelled shares accordingly. The remaining 268,000 shares were subsequently cancelled on January 11, 2018. These 268,000 shares were recognized as treasury shares at December 31, 2017. The premium paid and payable on repurchase was charged against the retained earnings of the Company. An amount equivalent to the nominal value of the shares cancelled was transferred from retained earnings to the capital redemption reserve.

From January 1, 2018 up to the approval date of this unaudited interim results, the Company did not repurchase its ordinary shares on the Stock Exchange.

21. PUT OPTION LIABILITIES

In 2012, the Group recognized financial liabilities of approximately HK\$102 million in relation to the financial liabilities arising from the put option granted to the non-controlling shareholders of Giordano Fashions (L.L.C.) ("Giordano UAE") and Textile and Ready Garments Co. Ltd. ("Giordano KSA") to sell their remaining interests in these companies to the Group. Such put option is exercisable any time after 3 years from completion of the Group's acquisition of the shares in Giordano UAE and Giordano KSA and has no expiry date. Such financial liabilities are initially recognized at their fair value, which is the present value of the estimated redemption amount. The put option liabilities are denominated in United States ("U.S.") dollars and are classified under current liabilities.

In 2015, the Group recognized financial liabilities of approximately HK\$19 million in relation to the financial liabilities arising from the put option granted to the non-controlling shareholders of Giordano Fashions W.L.L. ("Giordano KW") and GIO Fashions W.L.L. ("Giordano QA") to sell their remaining interests in these companies to the Group. Such put option is exercisable any time after 3 years from completion of the Group's acquisition of the shares in Giordano KW and Giordano QA and has no expiry date. Such financial liabilities are initially recognized at their fair value, which is the present value of the estimated redemption amount. The put option liabilities are denominated in U.S. dollars and are classified under current liabilities.

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

21. 授出認沽期權負債(續)

於2017年，本集團就向Giordano Middle East FZE(「Giordano MEF」)之非控股股東授出認沽期權，以供其出售Giordano MEF之2%權益予本集團所產生的財務負債而確認負債約600萬港元。該授出認沽期權於本集團完成出售Giordano MEF之股份3年後隨時可行使，而且無到期日期。該等財務負債初步按其公允值確認，即估計贖回金額的現金。授出認沽期權負債以美元計值及列為非流動負債。

該授出認沽期權公允值是根據貼現現金流，決定於對該投資的各項於不可觀察市場上取得的資料(不可觀察輸入)，根據香港財務報告準則第7號之公允值的階級組織分類為第三級。

22. 應付賬款及其他應付款

(以百萬港元為單位)

		6月30日 June 30 2018	12月31日 December 31 2017
應付賬款	Trade payables	143	90
賬齡分析如下：	Aging analysis is as follows:		
0至30日	0 – 30 days	87	66
31至60日	31 – 60 days	31	6
61至90日	61 – 90 days	14	5
逾90日	Over 90 days	11	13
		143	90
其他應付款及應付費用	Other payables and accrued expenses	362	394
		505	484

應付賬款及其他應付款之賬面值與其公允值相若。

21. PUT OPTION LIABILITIES (continued)

In 2017, the Group recognized financial liabilities of approximately HK\$6 million in relation to the financial liabilities arising from the put option granted to the non-controlling shareholder of Giordano Middle East FZE (“Giordano MEF”) to sell 2% interests in Giordano MEF to the Group. Such put option is exercisable any time after 3 years from the completion of the Group’s disposal of the shares in Giordano MEF and has no expiry date. Such financial liabilities are initially recognized at their fair value, which is the present value of the estimated redemption amount. The put option liabilities are denominated in U.S. dollars and are classified under non-current liabilities.

The fair value of the put option liabilities is determined based on discounted cash flows, using inputs that are not based on observable market data (unobservable inputs), which is categorized as level 3 under the fair value hierarchy pursuant to HKFRS 7.

22. TRADE AND OTHER PAYABLES

(In HK\$ million)

The carrying amounts of trade and other payables are stated approximately at their fair values.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

23. 銀行貸款

23. BANK LOANS

(以百萬港元為單位)	(In HK\$ million)	6月30日 June 30 2018	12月31日 December 31 2017
短期銀行貸款、無抵押、 港元計值	Short-term bank loans, unsecured, Hong Kong dollars denominated	298	298

於2018年6月30日，短期銀行貸款的實際利率為1.5% (2017年12月31日：1.1%)。該等銀行貸款於一年內到期。

The effective interest rate of the short-term bank loans as at June 30, 2018 was 1.5% (December 31, 2017: 1.1%); these bank loans are repayable within one year.

短期銀行貸款的賬面值與其公允值相若。

The carrying amounts of short-term bank loans are approximately at their fair values.

24. 承擔

24. COMMITMENTS

(a) 經營租賃之承擔

(a) Commitments under operating leases

於2018年6月30日，本集團就零售店舖、辦公室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：

As at June 30, 2018, the Group had future aggregate minimum lease charges payable under non-cancellable operating leases in respect of retail stores, office premises and warehouses as set out below:

(以百萬港元為單位)	(In HK\$ million)	6月30日 June 30 2018	12月31日 December 31 2017
一年內	Within one year	692	632
一年後但五年內	After one year but within five years	735	652
五年以上	Over five years	16	19
		1,443	1,303

經營租賃合約包含不同種類條款，租金遞升協定及續租權。若干門市之經營租賃租金乃根據最低保證租金或以銷售額計算之租金(以較高者為準)。上述承擔乃按最低保證租金計算。

The operating leases contracts have varying terms, escalation clauses and renewal rights. The operating lease rentals of certain outlets are based on the higher of a minimum guaranteed rental or a sales level based rental. The minimum guaranteed rental has been used to arrive at the above commitments.

未經審核簡明合併中期財務報表附註(續)
**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS (continued)**

24. 承擔(續)

(a) 經營租賃之承擔(續)

於2018年6月30日，本集團就零售店舖及辦公室之不可於未來撤銷之經營租賃的最低應收租賃收入如下：

<i>(以百萬港元為單位)</i>	<i>(In HK\$ million)</i>	6月30日 June 30 2018	12月31日 December 31 2017
一年內	Within one year	15	15
一年後但五年內	After one year but within five years	17	38
五年以上	Over five years	—	9
		32	62

(b) 資本承擔

於2018年6月30日及2017年12月31日，本集團沒有重大關於租賃物業裝修、傢俬及辦公室設備之資本承擔。

24. COMMITMENTS (continued)

(a) Commitments under operating leases (continued)

As at June 30, 2018, the Group had future aggregate minimum lease income receivable under non-cancellable operating leases in respect of retail stores and office premises as set out below:

(b) Capital commitment

As at June 30, 2018 and December 31, 2017, the Group had no material capital commitments in respect of leasehold improvement, furniture and fixtures.

未經審核簡明合併中期財務報表附註(續)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

25. 重大關聯人士交易

關聯人士指可直接或間接控制另一方，或在作出財務及營運決策時對另一方行使重大影響力之人士。共同受他人控制或受他人重大影響力之人士亦視為有關聯人士。

(a) 與關聯人士之交易

於期內，若干附屬公司按一般及日常業務過程與合營公司進行正常商業條款交易。有關該等交易詳述如下：

25. MATERIAL RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(a) Transactions with related parties

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

		截至6月30日止六個月 Six months ended June 30	
(以百萬港元為單位)	(In HK\$ million)	2018	2017
銷售予一合營公司	Sales to a joint venture	99	97
特許權收入自一合營公司	Royalty income from a joint venture	13	17

(b) 與關聯人士之結餘

(以百萬港元為單位)

應收合營公司款項

(b) Balances with related parties

		6月30日 June 30 2018	12月31日 December 31 2017
(以百萬港元為單位)	(In HK\$ million)		
應收合營公司款項	Amounts due from joint ventures	13	6

上述應收關聯人士款項已反映在應收賬款及其他應收款。應收款項均為無抵押、免息及須於要求時還款。

The above amounts due from related parties are reflected in trade and other receivables. The receivables are unsecured in nature, bear no interest and are repayable on demand.

26. 或然負債

於2018年6月30日及2017年12月31日，本集團並無任何重大或然負債。

26. CONTINGENT LIABILITIES

As at June 30, 2018 and December 31, 2017, the Group did not have any significant contingent liabilities.

其他資料

OTHER INFORMATION

中期股息

本公司擬透過派發股息及股份購回將現金盈餘回饋其股東，並一直根據本公司之股息政策派發相當於其大部份盈利的普通股息，至於股息金額則經考慮手頭現金、未來投資需要以及營運資金等因素而有所不同。

經審慎考慮經濟前景、本集團之財務狀況、其未來擴展計劃及其他因素後，董事會宣派截至2018年6月30日止六個月之中期股息為每股17.0港仙（2017年：每股15.0港仙）。該股息將於2018年9月21日（星期五）派發予於2018年9月13日（星期四）名列於本公司股東名冊上之股東。

暫停辦理股東登記手續

為確定獲派中期股息之權利，本公司將由2018年9月11日（星期二）至2018年9月13日（星期四）（包括首尾兩天）暫停辦理股東登記手續，期間將不會辦理股份過戶登記。為符合資格獲取中期股息，所有已填妥之過戶文件連同相關股票須於2018年9月10日（星期一）下午4時30分前送達本公司之香港股份過戶登記分處卓佳雅柏勤有限公司，地址為香港皇后大道東183號合和中心22樓，辦理登記手續。

董事進行證券交易

本公司已採納其有關董事進行證券交易的行為守則（「證券交易的行為守則」）。該守則條款不遜於上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）之必守準則，並已不時更新。經向全體董事作出特定查詢後，全體董事均確認截至2018年6月30日止六個月內已遵守標準守則及證券交易的行為守則之必守準則。

INTERIM DIVIDEND

It is the Company's intention to return surplus cash to its shareholders through the payment of dividends and share repurchase. In line with its dividend policy, the Company has been paying a substantial portion of its earnings as an ordinary dividend, the amount of which may vary depending on cash on hand, future investment requirements and working capital considerations.

After due consideration of the economic outlook, the Group's financial position, its future expansion plans and other factors, the Board has declared to pay an interim dividend of 17.0 HK cents per share (2017: 15.0 HK cents per share) for the six months ended June 30, 2018. The dividend is payable on Friday, September 21, 2018 to shareholders whose names appear on the register of members of the Company on Thursday, September 13, 2018.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the interim dividend, the register of members of the Company will be closed from Tuesday, September 11, 2018 to Thursday, September 13, 2018 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, September 10, 2018.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted its own Code of Conduct for Securities Transactions by Directors (the "Code of Conduct for Securities Transactions"). This is on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, and has been updated from time-to-time. Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct for Securities Transactions throughout the six months ended June 30, 2018.

其他資料(續) OTHER INFORMATION (continued)

董事及主要行政人員之股份、相關股份及債權證的權益及淡倉

於2018年6月30日，本公司董事及主要行政人員及彼等各自之緊密聯繫人在本公司或其任何相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有須記錄於證券及期貨條例第352條規定存置之登記冊內之權益及淡倉，或根據標準守則須知會本公司及聯交所之權益及淡倉如下：

於本公司股份及相關股份之好倉

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2018, the interests and short positions of the Directors and chief executive of the Company and their respective close associates in the shares, underlying shares and debentures of the Company or any of 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 otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in shares and underlying shares of the Company

董事姓名 Name of Directors	所持普通股數目 Number of ordinary shares held			概約持股 百分比 (附註3) Approximate percentage of shareholding (Note 3)
	個人權益 (附註1) Personal interests (Note 1)	衍生工具權益 (購股權) (附註1及2) Derivative interests (share options) (Notes 1 & 2)	合計 Total	
劉國權 LAU Kwok Kuen, Peter	27,318,000	—	27,318,000	1.73%
陳嘉緯 CHAN Ka Wai	600,000	7,700,000	8,300,000	0.52%
羅學文 Mark Alan LOYND	236,000	6,064,000	6,300,000	0.39%

附註：

- (1) 該等權益乃指相關董事作為實益擁有人持有的權益。
- (2) 衍生工具權益之相關股份乃按本公司之購股權計劃而授予董事之購股權，有關資料詳情載列於下文題為「購股權計劃」一節。
- (3) 按於2018年6月30日本公司已發行股份1,577,350,518股計算。

Notes:

- (1) This represents interests held by the relevant Directors as beneficial owners.
- (2) Derivative interests are share options granted to the Directors pursuant to the share option schemes of the Company and details of which are set out in below paragraph headed "SHARE OPTION SCHEMES".
- (3) Based on 1,577,350,518 shares of the Company in issue as at June 30, 2018.

除上述所披露者外，於2018年6月30日，本公司董事或主要行政人員或彼等各自之緊密聯繫人概無於本公司或其任何相關法團(定義見證券及期貨條例第XV部)之股份、相關股份或債權證中擁有須記錄於證券及期貨條例第352條規定存置之登記冊內之權益及淡倉，或須根據標準守則知會本公司及聯交所之權益或淡倉。

Save as disclosed above, as at June 30, 2018, none of the Directors or chief executive of the Company or their respective close associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of 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 otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

其他資料(續) OTHER INFORMATION (continued)

主要股東之權益及淡倉

就本公司董事或主要行政人員所知，於2018年6月30日，下列人士(除本公司董事及主要行政人員外)於本公司之股份或相關股份中擁有須記錄於證券及期貨條例第336條規定存置之登記冊內之權益或淡倉如下：

於本公司股份及相關股份之好倉

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executive of the Company, as at June 30, 2018, the following persons (other than Directors and chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in shares and underlying shares of the Company

主要股東名稱 Name of substantial shareholders	身份 Capacity	所持普通股數目 Number of ordinary shares held	概約持股百分比 (附註3) Approximate percentage of shareholding (Note 3)
BlackRock, Inc.	受控制法團之權益 Interest of controlled corporation	111,685,972 (附註 Note 2)	7.08%
Cheng Yu Tung Family (Holdings) Limited (附註 Note 1)	受控制法團之權益 Interest of controlled corporation	384,830,000	24.39%
Cheng Yu Tung Family (Holdings II) Limited (附註 Note 1)	受控制法團之權益 Interest of controlled corporation	384,830,000	24.39%
Chow Tai Fook Capital Limited (附註 Note 1)	受控制法團之權益 Interest of controlled corporation	384,830,000	24.39%
周大福(控股)有限公司(「周大福控股」) Chow Tai Fook (Holding) Limited (“CTF”) (附註 Note 1)	受控制法團之權益 Interest of controlled corporation	384,830,000	24.39%
周大福代理人有限公司(「周大福代理人」) Chow Tai Fook Nominee Limited (“CTFN”) (附註 Note 1)	受控制法團之權益 Interest of controlled corporation	384,830,000	24.39%
Sino Wealth International Limited (“Sino Wealth”)	實益擁有人 Beneficial owner	384,830,000	24.39%

附註：

Notes:

- (1) 於2018年6月30日，Sino Wealth持有384,830,000股本公司股份，其由周大福代理人全資擁有，而周大福代理人則由周大福控股控制。Cheng Yu Tung Family (Holdings) Limited及Cheng Yu Tung Family (Holdings II) Limited於Chow Tai Fook Capital Limited分別持有約49.0%及46.7%權益，而Chow Tai Fook Capital Limited則於周大福控股持有約81.0%權益，因此Cheng Yu Tung Family (Holdings) Limited、Cheng Yu Tung Family (Holdings II) Limited、Chow Tai Fook Capital Limited、周大福控股及周大福代理人被視為於Sino Wealth所持本公司股份中擁有權益。
- (2) BlackRock, Inc.持有之111,685,972股本公司股份，其中394,000股為以現金交收之非上市權益衍生工具。
- (3) 按於2018年6月30日本公司已發行股份1,577,350,518股計算。

- (1) As at June 30, 2018, 384,830,000 shares of the Company were held by Sino Wealth which is wholly-owned by CTFN, which in turn is controlled by CTF. Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited held approximately 49.0% and 46.7% interest in Chow Tai Fook Capital Limited respectively, which in turn held an approximately 81.0% interest in CTF and accordingly each of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, CTF and CTFN is deemed to have an interest in the shares of the Company held by Sino Wealth.
- (2) 111,685,972 shares of the Company were held by BlackRock, Inc. of which 394,000 shares were cash settled unlisted equity derivatives.
- (3) Based on 1,577,350,518 shares of the Company in issue as at June 30, 2018.

除上文所披露者外，於2018年6月30日，本公司並無獲悉本公司之股份及相關股份中擁有須記入本公司根據證券及期貨條例第336條存置之登記冊之任何權益或淡倉。

Save as disclosed above, as at June 30, 2018, the Company had not been notified of any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

購股權計劃

於2011年6月9日，本公司終止其於2002年1月24日採納之購股權計劃（「2002年購股權計劃」），並於同日採納新購股權計劃（於2012年5月22日經修訂）（「2011年購股權計劃」）。於屆滿日期後，不得亦並無購股權根據2002年購股權計劃授出，惟於屆滿日期之前授出之購股權根據發行條款繼續有效及可予以行使。在上文所述規限下，2002年購股權計劃之條文仍維持十足效力及效用，儘管該計劃已告屆滿。根據2011年購股權計劃，董事可酌情向任何合資格參與者授出購股權以認購本公司股份，惟須受該計劃所載之條款及條件所規限。2011年購股權計劃將於2021年6月9日屆滿。

根據2002年購股權計劃及2011年購股權計劃授出之購股權於截至2018年6月30日止六個月內之變動載列如下：

2002年購股權計劃

SHARE OPTION SCHEMES

On June 9, 2011, the Company terminated its share option scheme adopted on January 24, 2002 (the “2002 Share Option Scheme”) and adopted a new share option scheme (as amended on May 22, 2012) (the “2011 Share Option Scheme”) on the same date. No options may be and have been granted under the 2002 Share Option Scheme after the expiry date, but the options granted before the expiry date continue to be valid and exercisable in accordance with the terms of issue. Subject to the aforesaid, the provisions of the 2002 Share Option Scheme remain in full force and effect, notwithstanding the expiry of the scheme. Under the 2011 Share Option Scheme, the Directors may, at their discretion, grant to any eligible participants share options to subscribe for the Company’s shares, subject to the terms and conditions stipulated therein. The 2011 Share Option Scheme will expire on June 9, 2021.

Movements of share options granted under the 2002 Share Option Scheme and 2011 Share Option Scheme during the six months ended June 30, 2018 were set out below:

2002 Share Option Scheme

合資格參與者 Eligible participants	購股權數目 Number of share options					於2018年 6月30日 As at 6/30/2018	每股行使價 Exercise price per share 港元 HK\$	授出日期 Date of grant (月/日/年) (MM/DD/YYYY)	行使期限 Exercisable period (月/日/年) (MM/DD/YYYY)
	於2018年 1月1日 As at 1/1/2018	於期內授出 Granted during the period	於期內行使 Exercised during the period	於期內失效 Lapsed during the period	於期內註銷 Cancelled during the period				
	連續合約僱員 Continuous Contract Employees	872,000 676,000 596,000 700,000 2,700,000	— — — — —	142,000 [◇] 176,000 [◇] 32,000 [◇] 500,000 [◇] —	110,000 — — — —				
合計 Total	5,544,000	—	850,000	110,000	—	4,584,000			

其他資料(續) OTHER INFORMATION (continued)

購股權計劃(續) 2011年購股權計劃

SHARE OPTION SCHEMES (continued) 2011 Share Option Scheme

合資格參與者 Eligible participants	購股權數目 Number of share options					於2018年 6月30日 As at 6/30/2018	每股行使價 Exercise price per share 港元 HK\$	授出日期 Date of grant (月/日/年) (MM/DD/YYYY)	行使期限 Exercisable period (月/日/年) (MM/DD/YYYY)
	於2018年 1月1日 As at 1/1/2018	於期內授出 Granted during the period	於期內行使 Exercised during the period	於期內失效 Lapsed during the period	於期內註銷 Cancelled during the period				
	董事 Directors								
陳嘉緯 CHAN Ka Wai	400,000	—	—	—	—	400,000	5.200	10/07/2011	03/22/2012—09/30/2021
	600,000	—	—	—	—	600,000	5.200	10/07/2011	03/01/2013—09/30/2021
	1,000,000	—	—	—	—	1,000,000	5.200	10/07/2011	02/28/2014—09/30/2021
	100,000	—	—	—	—	100,000	5.000	03/24/2014	03/04/2015—03/23/2024
	150,000	—	—	—	—	150,000	5.000	03/24/2014	03/04/2016—03/23/2024
	200,000	—	—	—	—	200,000	5.000	03/24/2014	03/10/2017—03/23/2024
	250,000	—	—	—	—	250,000	5.000	03/24/2014	03/09/2018—03/23/2024
	300,000	—	—	—	—	300,000	5.000	03/24/2014	附註 Note 2—03/23/2024
	1,366,000	—	—	—	—	1,366,000	4.180	01/06/2017	08/11/2017—12/31/2025
	1,666,000	—	—	—	—	1,666,000	4.180	01/06/2017	03/09/2018—12/31/2025
	1,668,000	—	—	—	—	1,668,000	4.180	01/06/2017	附註 Note 1—12/31/2025
	7,700,000	—	—	—	—	7,700,000			
羅學文 Mark Alan LOYND	200,000	—	—	—	—	200,000	5.000	03/24/2014	03/04/2015—03/23/2024
	300,000	—	—	—	—	300,000	5.000	03/24/2014	03/04/2016—03/23/2024
	400,000	—	—	—	—	400,000	5.000	03/24/2014	03/10/2017—03/23/2024
	500,000	—	—	—	—	500,000	5.000	03/24/2014	03/09/2018—03/23/2024
	600,000	—	—	—	—	600,000	5.000	03/24/2014	附註 Note 2—03/23/2024
	64,000	—	—	—	—	64,000	3.792	04/09/2015	03/10/2017—03/31/2025
	1,332,000	—	—	—	—	1,332,000	4.180	01/06/2017	08/11/2017—12/31/2025
	1,332,000	—	—	—	—	1,332,000	4.180	01/06/2017	03/09/2018—12/31/2025
	1,336,000	—	—	—	—	1,336,000	4.180	01/06/2017	附註 Note 1—12/31/2025
	6,064,000	—	—	—	—	6,064,000			

其他資料(續)

OTHER INFORMATION (continued)

購股權計劃(續)

2011年購股權計劃(續)

SHARE OPTION SCHEMES (continued)

2011 Share Option Scheme (continued)

合資格參與者 Eligible participants	購股權數目 Number of share options					於2018年 6月30日 As at 6/30/2018	每股行使價 Exercise price per share 港元 HK\$	授出日期 Date of grant (月/日/年) (MM/DD/YYYY)	行使期限 Exercisable period (月/日/年) (MM/DD/YYYY)
	於2018年 1月1日 As at 1/1/2018	於期內授出 Granted during the period	於期內行使 Exercised during the period	於期內失效 Lapsed during the period	於期內註銷 Cancelled during the period				
	連續合約僱員 Continuous Contract Employees	2,600,000	—	—	—				
	4,740,000	—	—	—	—	4,740,000	5.200	10/07/2011	03/01/2013—09/30/2021
	11,850,000	—	—	—	—	11,850,000	5.200	10/07/2011	02/28/2014—09/30/2021
	422,000	—	—	20,000	—	402,000	5.380	06/12/2012	03/01/2013—12/31/2021
	2,720,000	—	—	400,000	—	2,320,000	7.650	04/10/2013	02/28/2014—03/31/2022
	4,340,000	—	—	74,000	—	4,266,000	5.000	03/24/2014	03/04/2015—03/23/2024
	6,478,000	—	—	110,000	—	6,368,000	5.000	03/24/2014	03/04/2016—03/23/2024
	8,706,000	—	—	150,000	—	8,556,000	5.000	03/24/2014	03/10/2017—03/23/2024
	10,934,000	—	—	164,000	26,000	10,744,000	5.000	03/24/2014	03/09/2018—03/23/2024
	13,072,000	—	—	—	226,000	12,846,000	5.000	03/24/2014	附註 Note 2—03/23/2024
	4,906,000	—	754,000♦	188,000	—	3,964,000	3.792	04/09/2015	03/04/2016—03/31/2025
	5,414,000	—	524,000♦	192,000	—	4,698,000	3.792	04/09/2015	03/10/2017—03/31/2025
	500,000	—	250,000♦	—	—	250,000	4.090	07/10/2015	03/04/2016—06/30/2025
	500,000	—	250,000♦	—	—	250,000	4.090	07/10/2015	03/10/2017—06/30/2025
	1,164,000	—	—	222,000	—	942,000	4.340	09/19/2016	03/10/2017—06/30/2026
	1,168,000	—	—	—	222,000	946,000	4.340	09/19/2016	03/09/2018—06/30/2026
	14,964,000	—	1,988,000♦	538,000	—	12,438,000	4.180	01/06/2017	08/11/2017—12/31/2025
	16,598,000	—	2,240,000♦	450,000	88,000	13,820,000	4.180	01/06/2017	03/09/2018—12/31/2025
	17,894,000	—	—	—	656,000	17,238,000	4.180	01/06/2017	附註 Note 1—12/31/2025
	2,890,000	—	—	66,000	—	2,824,000	4.050	06/09/2017	08/11/2017—12/31/2025
	2,890,000	—	—	66,000	—	2,824,000	4.050	06/09/2017	03/09/2018—12/31/2025
	2,920,000	—	—	—	68,000	2,852,000	4.050	06/09/2017	附註 Note 1—12/31/2025
	137,670,000	—	6,006,000	2,640,000	1,286,000	127,738,000			
其他 Others	340,000	—	—	—	—	340,000	5.200	10/07/2011	03/22/2012—09/30/2021
	720,000	—	—	—	—	720,000	5.200	10/07/2011	03/01/2013—09/30/2021
	3,000,000	—	—	—	—	3,000,000	5.200	10/07/2011	02/28/2014—09/30/2021
	510,000	—	—	—	—	510,000	5.000	03/24/2014	03/04/2015—03/23/2024
	758,000	—	—	—	—	758,000	5.000	03/24/2014	03/04/2016—03/23/2024
	1,020,000	—	—	—	—	1,020,000	5.000	03/24/2014	03/10/2017—03/23/2024
	1,282,000	—	—	—	—	1,282,000	5.000	03/24/2014	03/09/2018—03/23/2024
	1,530,000	—	—	—	—	1,530,000	5.000	03/24/2014	附註 Note 2—03/23/2024
	944,000	—	66,000♦	—	662,000	216,000	4.180	01/06/2017	08/11/2017—12/31/2025
	944,000	—	66,000♦	—	612,000	266,000	4.180	01/06/2017	03/09/2018—12/31/2025
	962,000	—	—	—	—	962,000	4.180	01/06/2017	附註 Note 1—12/31/2025
	12,010,000	—	132,000	—	1,274,000	10,604,000			
合計 Total	163,444,000	—	6,138,000	2,640,000	2,560,000	152,106,000			

附註:

- 1 2018年中期業績公佈翌日
2 2018年全年業績公佈翌日

Notes:

- 1 the day after 2018 interim results announcement
2 the day after 2018 final results announcement

備註:

Remarks:

- ◇ 於緊接購股權各自行使日期前之股份加權平均收市價為每股4.84港元。
◆ 於緊接購股權各自行使日期前之股份加權平均收市價為每股4.90港元。
- ◇ The weighted average closing price per shares immediately before the respective exercise date of the options was HK\$4.84.
◆ The weighted average closing price per shares immediately before the respective exercise date of the options was HK\$4.90.

其他資料(續)

OTHER INFORMATION (continued)

企業管治

本公司之2017年年報已刊發及載有一份企業管治報告，當中本公司匯報已採納上市規則附錄十四所載之企業管治守則(「企業管治守則」)所列之守則條文(「守則條文」)作為本公司之企業管治守則。

於回顧期內，本公司已遵守企業管治守則內的所有適用守則條文，惟偏離以下守則條文除外：

守則條文第A.2.1條

守則條文第A.2.1條規定，主席及行政總裁之角色應有所區分，並不應由一人同時兼任。

現時由劉國權博士同時出任主席兼行政總裁之職位。由於劉博士在業界具有豐富經驗及對本集團業務有深厚認識，董事會認為由劉博士同時兼任主席及行政總裁之職位能為本集團提供強勢之領導，並能更有效地策劃及推行長遠商業策略，以及提高決策之效率。董事會亦相信本公司已擁有配合公司實際情況的強大企業管治架構，確保能有效地監管管理層。

守則條文第A.4.2條

守則條文第A.4.2條規定，每名董事(包括有指定任期之董事)應輪值告退，至少每三年一次。

根據本公司之公司細則，三分之一董事(除主席或董事總經理外)須於每屆股東週年大會上輪值告退。董事會認為，穩定性和持續性是成功實施業務計劃之關鍵因素。董事會相信，主席之角色具連續性對本集團有利。因此，董事會認為目前主席應獲豁免遵守這項安排。

除上文所披露者外，於回顧期內，本公司所採納之企業管治常規與本公司之2017年年報所載之有關常規貫徹一致。

CORPORATE GOVERNANCE

A corporate governance report has been published and included in the Company's 2017 annual report, in which the Company reported the adoption of the code provisions (the "Code Provisions") as stated in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules as the corporate governance code of the Company.

During the period under review, the Company has complied with all applicable Code Provisions under the CG Code, except for the following deviations:

Code Provision A.2.1

Code Provision A.2.1 provides that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual.

Currently, Dr. LAU Kwok Kuen, Peter holds the positions of Chairman and Chief Executive. In view of Dr. LAU's extensive experience in the industry and deep understanding of the Group's businesses, the Board believes that vesting the roles of both Chairman and Chief Executive in Dr. LAU provides the Group with strong leadership, allowing for more effective planning and execution of long term business strategies and enhances efficiency in decision-making. The Board also believes that the Company already has a strong corporate governance structure appropriate for its circumstances in place to ensure effective oversight of Management.

Code Provision A.4.2

Code Provision A.4.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Bye-Laws of the Company, one-third of the Directors, with the exception of Chairman or Managing Director, shall retire from office by rotation at each annual general meeting. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the Chairman and, therefore, the Board is of the view that the Chairman should be exempt from this arrangement at the present time.

Save as disclosed above, the corporate governance practices adopted by the Company during the period under review are in line with those practices set out in the Company's 2017 annual report.

其他資料(續) OTHER INFORMATION (continued)

董事資料更新

根據上市規則第13.51B(1)條，自本公司之2017年年報日期以來董事之資料變動如下：

UPDATE ON DIRECTORS' INFORMATION

Pursuant to rule 13.51B(1) of the Listing Rules, the changes in information of our Directors since the date of 2017 annual report of the Company are set out below:

董事姓名

Name of Directors

資料變動

Changes in information

陳嘉緯

CHAN Ka Wai

由2018年4月1日起，本公司執行董事陳博士可獲每年薪金為2,296,609港元。

Dr. CHAN, the Executive Director, is entitled to an annual salary of HK\$2,296,609 with effect from April 1, 2018.

鄭志剛

CHENG Chi Kong

於2018年6月1日，鄭博士獲委任為新世紀醫療控股有限公司(一間於聯交所主板上市之公司)之非執行董事。

Dr. CHENG was appointed as non-executive director of New Century Healthcare Holding Co. Limited, a company listed on the main board of the Stock Exchange, on June 1, 2018.

羅學文

Mark Alan LOYND

由2018年4月1日起，本公司執行董事羅先生可獲每年薪金為2,110,398港元。

Mr. LOYND, the Executive Director, is entitled to an annual salary of HK\$2,110,398 with effect from April 1, 2018.

除上文所披露者外，自本公司之2017年年報日期以來，根據上市規則第13.51B(1)條須予披露之董事履歷詳情並無其他更新。

Save as disclosed above, there is no other change in the Directors' biographical details which is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the date of 2017 annual report of the Company.

購買、出售或贖回本公司之上市證券

截至2018年6月30日止六個月內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2018.

中期業績審閱

本集團截至2018年6月30日止六個月的未經審核簡明合併中期財務資料已由本集團的外聘核數師羅兵咸永道會計師事務所根據香港會計師公會頒佈之香港審閱準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。

REVIEW OF INTERIM RESULTS

The unaudited condensed consolidated interim financial information of the Group for the six months ended June 30, 2018 have been reviewed by PricewaterhouseCoopers, the external auditor of the Group, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

其他資料(續) OTHER INFORMATION (continued)

中期業績審閱(續)

審核委員會已審閱本集團採納的會計原則及慣例，並已全面討論審核、風險管理及內部監控系統以及財務申報事宜。審核委員會亦已與管理層審閱本集團截至2018年6月30日止六個月之未經審核中期業績。

承董事會命
主席兼行政總裁
劉國權

香港，2018年8月9日

REVIEW OF INTERIM RESULTS (continued)

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has fully discussed auditing, risk management and internal control systems and financial reporting matters. The Audit Committee has also reviewed the unaudited interim results of the Group for the six months ended June 30, 2018 with Management.

By Order of the Board
LAU Kwok Kuen, Peter
Chairman and Chief Executive

Hong Kong, August 9, 2018

董事會

執行董事

劉國權
(主席兼行政總裁)
陳嘉緯
羅學文

非執行董事

鄭志剛 *JP*
陳世昌

獨立非執行董事

畢滌凡
鄭其志 *GBS, JP*
黃旭

集團法律總監及公司秘書

羅學文

審核委員會

畢滌凡(主席)
鄭其志 *GBS, JP*
黃旭

薪酬委員會

黃旭(主席)
劉國權
畢滌凡

提名委員會

劉國權(主席)
畢滌凡
黃旭

管理委員會

劉國權(主席)
陳嘉緯
羅學文
Ishwar Bhagwandas CHUGANI

授權代表

劉國權
羅學文

BOARD OF DIRECTORS

Executive Directors

LAU Kwok Kuen, Peter
(Chairman and Chief Executive)
CHAN Ka Wai
Mark Alan LOYND

Non-Executive Directors

CHENG Chi Kong *JP*
CHAN Sai Cheong

Independent Non-Executive Directors

Barry John BUTTIFANT
KWONG Ki Chi *GBS, JP*
WONG Yuk (alias, HUANG Xu)

GENERAL COUNSEL AND COMPANY SECRETARY

Mark Alan LOYND

AUDIT COMMITTEE

Barry John BUTTIFANT (Chairman)
KWONG Ki Chi *GBS, JP*
WONG Yuk (alias, HUANG Xu)

REMUNERATION COMMITTEE

WONG Yuk (alias, HUANG Xu) (Chairman)
LAU Kwok Kuen, Peter
Barry John BUTTIFANT

NOMINATION COMMITTEE

LAU Kwok Kuen, Peter (Chairman)
Barry John BUTTIFANT
WONG Yuk (alias, HUANG Xu)

MANAGEMENT COMMITTEE

LAU Kwok Kuen, Peter (Chairman)
CHAN Ka Wai
Mark Alan LOYND
Ishwar Bhagwandas CHUGANI

AUTHORIZED REPRESENTATIVES

LAU Kwok Kuen, Peter
Mark Alan LOYND

公司資料(續) CORPORATE INFORMATION (continued)

獨立核數師

執業會計師
羅兵咸永道會計師事務所

律師

香港律師
肯尼狄律師行
金杜律師事務所

中國律師
金杜律師事務所

註冊辦事處

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

香港主要營業地點

香港
九龍
長沙灣道777至779號
天安工業大廈5樓

股份過戶登記總處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

香港股份過戶登記分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心22樓

主要往來銀行

交通銀行股份有限公司香港分行
恒生銀行有限公司
渣打銀行(香港)有限公司
株式會社三菱東京UFJ銀行
香港上海匯豐銀行有限公司

INDEPENDENT AUDITOR

Certified Public Accountants
PricewaterhouseCoopers

LAWYERS

Hong Kong lawyers
Kennedys
King & Wood

PRC lawyers
King & Wood

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

5th Floor, Tin On Industrial Building
777-779 Cheung Sha Wan Road
Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Ltd. Hong Kong Branch
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Hongkong and Shanghai Banking Corporation Limited

Giordano International Limited
(Incorporated in Bermuda with limited liability)
5th Floor, Tin On Industrial Building
777-779 Cheung Sha Wan Road
Kowloon, Hong Kong

佐丹奴國際有限公司
(於百慕達註冊成立之有限公司)
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