GIORDANO Giordano International Limited 佐丹奴國際有限公司 Annual Report 2007年報

(Stock Code 股份代號: 709)

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TEN-YEAR FINANCIAL AND OPERATION HIGHLIGHTS

十年財務與業務摘要

(In	HK\$ millions unless otherwise specified)	(除	特別註明外,以港幣百萬元為單位)			
Tur	nover	火火	· 茹			
		營業額 毛利				
	ss profit					
	ss margin	毛利				
	erating profit (notes 1 & 2)		常溢利(附註1及2)			
	erating margin (notes 1 & 2)		常溢利率(附註1及2) 5 m (b) ★ 11 ((1) ★ 1 + 2 a)			
	fit attributable to shareholders (notes 1 & 2)		更應佔溢利(附註1及2)			
	urn on sales (notes 1 & 2)		自回報率(附註1及2)			
	sh and bank balances less bank loans		全及銀行結存減銀行貸款 			
	rking capital (note 1)		置資金(附註1)			
	al assets (note 2)		E總額(附註2)			
Tota	al liabilities (notes 2 & 3)		貨總額(附註2及3)			
Sha	areholders' funds (notes 2 & 3)	股東	夏資金(附註2及3)			
Far	nings per share - Basic (HK cents) (notes 1, 2 & 4)	有限	· 是盈利 - 基本(港仙)(附註1、2及4)			
	erim dividend per share (HK cents) (note 4)		设中期股息(港仙)(附註4)			
	ecial interim dividend per share (HK cents)		及特別中期股息(港仙)			
	al dividend per share (HK cents) (note 4)	每股末期股息(港仙)(附註4)				
	ecial final dividend per share (HK cents) (note 4)	每股特別末期股息(港仙)(附註4)				
ope	strai illiai dividend per share (firk cents) (note 4)	TY ID	(付別水粉放芯()它四)(削缸4)			
Ret	urn on average total assets (notes 1 & 2)	平均資產總額回報率(附註1及2)				
Ret	urn on average shareholders' funds (notes 1 & 2)	平均股東資金回報率(附註1及2)				
Inve	entory turnover on sales (days) (note 5)	存貨對銷售之流轉比率(日數)(附註5)				
Cur	rent ratio (times) (note 1)	流重	加比率(倍數)(附註1)			
Nur	phor of charge outstanding (in thousands) (note 4)	÷ +5	B. 本品吸心動日(工吸)(附针 4)			
	mber of shares outstanding (in thousands) (note 4)	市場流通股份數目(千股)(附註4) 市值總額				
IVIAI	ket capitalization	III JE	1総役 			
Dire	ectly managed stores	直接	等管理門市			
Nι	umber of stores (note 6)	P	引市數目(附註6)			
Re	etail floor area (in thousands of square feet) (note 6)	零	零售面積(以千平方呎為單位)(附註6)			
Сс	omparable store sales increase/(decrease) (note 7)	口]比較門市之銷售額增加/(減少)(附註7)			
			- (+ ds / g) \ \ - \			
	al stores (note 6)		5總數(附註6)			
Inte	er-segment purchases percentage	分音	B間採購之百分率 			
Note	es:	附註				
1.	Figures from 2004 are adjusted for the adoption of HKAS 17 "Leases" and HKFRS 2 "Share-based Payment" which are effective for accounting years commencing on or after January 1, 2005	1.	二 零 零 四 年 之 數 字 已 因 採 納HKAS17 「 租 賃」及 HKFRS 2「以股份支付的支出」而作出調整,該會計準 則於二零零五年一月一日或以後開始之會計年度生效			
2.	Figures for 2002 are adjusted for the adoption of SSAP 12 "Income Taxes" (revised) which is effective for accounting years commencing on or after January 1, 2003	2.	二零零二年之數字已因採納 SSAP12 「所得税」(經修訂) 而作出調整,該會計實務準則於二零零三年一月一日或 以後開始之會計年度生效			
3.	Figures from 1998 to 2000 are adjusted for the adoption of SSAP 9 "Events after the Balance Sheet Date" (revised) which is effective for accounting years commencing on or after January 1, 2001	3.	一九九八年至二零零零年之數字已因採納 SSAP 9「結 算日後事項」(經修訂)而作出調整,該會計實務準則於二 零零一年一月一日或以後開始之會計年度生效			

- 零零一年一月一日或以後開始之會計年度生效
- 一九九八年至一九九九年之數字已按股份一拆為二而作 出調整
- 5. 年結日之存貨除全年營業額乘三百六十五日
- 年結日數字
- 指於兩個作比較之財政年度內經營滿十二個月之門市

- Figures from 1998 to 1999 are adjusted for the effect of the 1-to-2 share subdivision
- Inventory held at year end divided by full year turnover times 365 days
- Figures as at year end
- For stores which were operated for the full 12 months in each of the two fiscal years under comparison

TEN-YEAR FINANCIAL AND OPERATION HIGHLIGHTS

十年財務與業務摘要

1998 1998										
2,357 2,178 2,243 2,035 1,634 1,677 1,544 1,516 1,352 1,029 47.6% 49.8% 50.8% 50.8% 48.2% 46.7% 44.4% 44.2% 43.7% 39.4% 384 376 518 491 364 385 372 425 351 70 7.8% 8.6% 11.7% 12.3% 10.7% 10.7% 12.4% 11.4% 2.7% 295 205 406 387 266 328 377 416 360 76 6.0% 4.7% 9.2% 9.7% 7.8% 9.1% 10.8% 12.1% 11.6% 2.9% 474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,944 2,970 2,717 2,555 2,419 2,37	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
2,357 2,178 2,243 2,035 1,634 1,677 1,544 1,516 1,352 1,029 47.6% 49.8% 50.8% 50.8% 48.2% 46.7% 44.4% 44.2% 43.7% 39.4% 384 376 518 491 364 385 372 425 351 70 7.8% 8.6% 11.7% 12.3% 10.7% 10.7% 12.4% 11.4% 2.7% 295 205 406 387 266 328 377 416 360 76 6.0% 4.7% 9.2% 9.7% 7.8% 9.1% 10.8% 12.1% 11.6% 2.9% 474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,944 2,970 2,717 2,555 2,419 2,37	4,950	4,372	4,413	4,003	3,389	3,588	3,479	3,431	3,092	2,609
384 376 518 491 364 385 372 425 351 70 7.8% 8.6% 11.7% 12.3% 10.7% 10.7% 10.7% 12.4% 11.4% 2.7% 295 205 406 387 266 328 377 416 360 76 6.0% 4.7% 9.2% 9.7% 7.8% 9.1% 10.8% 12.1% 11.6% 2.9% 474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1		·		•	•		•		•	
7.8% 8.6% 11.7% 12.3% 10.7% 10.7% 12.4% 11.4% 2.7% 295 205 406 387 266 328 377 416 360 76 6.0% 4.7% 9.2% 9.7% 7.8% 9.1% 10.8% 12.1% 11.6% 2.9% 474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.	47.6%	49.8%	50.8%	50.8%	48.2%	46.7%	44.4%	44.2%	43.7%	39.4%
295 205 406 387 266 328 377 416 360 76 6.0% 4.7% 9.2% 9.7% 7.8% 9.1% 10.8% 12.1% 11.6% 2.9% 474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.50 4.50 4.50 </th <th>384</th> <th>376</th> <th>518</th> <th>491</th> <th>364</th> <th>385</th> <th>372</th> <th>425</th> <th>351</th> <th>70</th>	384	376	518	491	364	385	372	425	351	70
6.0% 4.7% 9.2% 9.7% 7.8% 9.1% 10.8% 12.1% 11.6% 2.9% 474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50	7.8%	8.6%	11.7%	12.3%	10.7%	10.7%	10.7%	12.4%	11.4%	2.7%
474 665 827 689 784 614 494 747 803 340 736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.25 3.25 0.50 2.00 2.00 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50	295	205	406	387	266	328	377	416	360	76
736 862 1,029 861 911 861 798 1,014 960 725 2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.50 5.00 5.00 5.50 1.75 10.00 15.00 15.00 13.00 12.00 10.00 5.00 5.00 8.50 - 10.3% 7.3% 15.2% 15.9% 11.8% 14.7% <th< th=""><th>6.0%</th><th>4.7%</th><th>9.2%</th><th>9.7%</th><th>7.8%</th><th>9.1%</th><th>10.8%</th><th>12.1%</th><th>11.6%</th><th>2.9%</th></th<>	6.0%	4.7%	9.2%	9.7%	7.8%	9.1%	10.8%	12.1%	11.6%	2.9%
2,935 2,984 2,970 2,717 2,555 2,419 2,371 2,110 1,913 1,435 909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.00 1.50 4.50 4.50 4.25 3.25 0.50 2.00 2.00 2.00 1.50 3.00 -	474	665	827	689	784	614	494	747	803	340
909 894 755 684 685 564 625 511 456 299 1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.50 4.50 4.50 4.25 3.25 0.50 2.00 2.00 2.00 1.50 3.00 -	736	862	1,029	861	911	861	798	1,014	960	725
1,927 1,987 2,122 1,954 1,799 1,794 1,695 1,558 1,449 1,135 19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.00 1.50 4.50 4.50 4.25 3.25 0.50 2.00 2.00 2.00 1.50 3.00 - <th< th=""><th>2,935</th><th>2,984</th><th>2,970</th><th>2,717</th><th>2,555</th><th>2,419</th><th>2,371</th><th>2,110</th><th>1,913</th><th>1,435</th></th<>	2,935	2,984	2,970	2,717	2,555	2,419	2,371	2,110	1,913	1,435
19.80 13.80 27.50 26.70 18.50 22.80 26.30 29.30 25.65 5.40 4.50 4.50 4.50 4.50 4.50 4.50 4.50 4.25 3.25 0.50 2.00 2.00 2.00 1.50 3.00 -	909	894	755	684	685	564	625	511	456	299
4.50 4.50 4.50 4.00 1.50 4.50 4.50 4.25 3.25 0.50 2.00 2.00 2.00 1.50 3.00 —<	1,927	1,987	2,122	1,954	1,799	1,794	1,695	1,558	1,449	1,135
2.00 2.00 2.00 1.50 3.00 -	19.80	13.80	27.50	26.70	18.50	22.80	26.30	29.30	25.65	5.40
5.00 5.00 5.00 4.50 4.50 4.50 4.50 6.00 5.50 1.75 10.00 15.00 15.00 13.00 12.00 10.00 5.00 5.00 8.50 — 10.3% 7.3% 15.2% 15.9% 11.8% 14.7% 17.3% 21.4% 21.6% 5.3% 15.1% 10.0% 19.9% 20.6% 14.8% 18.8% 23.2% 27.7% 27.9% 6.9% 33 35 31 30 24 26 30 32 28 44 1.9 2.1 2.6 2.4 2.5 2.8 2.3 3.1 3.2 3.6 1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,436,029 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 995 957 918 <t< th=""><th>4.50</th><th>4.50</th><th>4.50</th><th>4.00</th><th>1.50</th><th>4.50</th><th>4.50</th><th>4.25</th><th>3.25</th><th>0.50</th></t<>	4.50	4.50	4.50	4.00	1.50	4.50	4.50	4.25	3.25	0.50
10.00 15.00 15.00 13.00 12.00 10.00 5.00 5.00 8.50 — 10.3% 7.3% 15.2% 15.9% 11.8% 14.7% 17.3% 21.4% 21.6% 5.3% 15.1% 10.0% 19.9% 20.6% 14.8% 18.8% 23.2% 27.7% 27.9% 6.9% 33 35 31 30 24 26 30 32 28 44 1.9 2.1 2.6 2.4 2.5 2.8 2.3 3.1 3.2 3.6 1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,436,029 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 <th>2.00</th> <th>2.00</th> <th>2.00</th> <th>1.50</th> <th>3.00</th> <th>_</th> <th>_</th> <th>_</th> <th>_</th> <th>_</th>	2.00	2.00	2.00	1.50	3.00	_	_	_	_	_
10.3% 7.3% 15.2% 15.9% 11.8% 14.7% 17.3% 21.4% 21.6% 5.3% 15.1% 10.0% 19.9% 20.6% 14.8% 18.8% 23.2% 27.7% 27.9% 6.9% 33 35 31 30 24 26 30 32 28 44 1.9 2.1 2.6 2.4 2.5 2.8 2.3 3.1 3.2 3.6 1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%	5.00	5.00	5.00	4.50	4.50	4.50	4.50	6.00	5.50	1.75
15.1% 10.0% 19.9% 20.6% 14.8% 18.8% 23.2% 27.7% 27.9% 6.9% 33 35 31 30 24 26 30 32 28 44 1.9 2.1 2.6 2.4 2.5 2.8 2.3 3.1 3.2 3.6 1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,436,029 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,36	10.00	15.00	15.00	13.00	12.00	10.00	5.00	5.00	8.50	_
33 35 31 30 24 26 30 32 28 44 1.9 2.1 2.6 2.4 2.5 2.8 2.3 3.1 3.2 3.6 1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,436,029 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678	10.3%	7.3%	15.2%	15.9%	11.8%	14.7%	17.3%	21.4%	21.6%	5.3%
1.9 2.1 2.6 2.4 2.5 2.8 2.3 3.1 3.2 3.6 1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,436,029 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678	15.1%	10.0%	19.9%	20.6%	14.8%	18.8%	23.2%	27.7%	27.9%	6.9%
1,491,513 1,490,853 1,489,631 1,450,592 1,442,199 1,440,345 1,436,029 1,430,683 1,413,118 1,399,570 5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678	33	35	31	30	24	26	30	32	28	44
5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678	1.9	2.1	2.6	2.4	2.5	2.8	2.3	3.1	3.2	3.6
5,578 6,336 6,480 7,072 5,192 4,393 4,954 5,150 5,652 1,015 1,000 962 914 811 550 473 456 367 317 308 995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678	1,491,513	1,490,853	1,489,631	1,450,592	1,442,199	1,440,345	1,436,029	1,430,683	1,413,118	1,399,570
995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678										
995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678										
995 957 918 846 650 599 598 466 359 301 2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678	1 000	062	014	011	550	172	456	267	217	200
2% (3%) (1%) 7% (9%) (2%) (4%) 4% 21% (13%) 1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678										
1,895 1,767 1,694 1,585 1,363 1,256 1,159 920 740 678										
	∠ /0	(0 /0)	(170)	1 /0	(3/0)	(∠ /0)	(+ /0)	4 /0	∠ 1 /0	(10/0)
16% 26% 30% 27% 28% 26% 24% 25% 22% 27%										
	16%	26%	30%	27%	28%	26%	24%	25%	22%	27%

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

LAU Kwok Kuen, Peter (Chairman and Chief Executive) FUNG Wing Cheong, Charles MAH Chuck On, Bernard

Independent Non-Executive Directors

AU Man Chu, Milton Barry John BUTTIFANT KWONG Ki Chi, GBS, JP LEE Peng Fei, Allen, JP

BOARD ADVISOR

Professor LEUNG Kwok

GROUP CHIEF FINANCIAL OFFICER

LUI Chi Hung

COMPANY SECRETARY

YUNG Mei Yee

AUDIT COMMITTEE

Barry John BUTTIFANT AU Man Chu, Milton KWONG Ki Chi, GBS, JP LEE Peng Fei, Allen, JP

COMPENSATION COMMITTEE

LAU Kwok Kuen, Peter Barry John BUTTIFANT LEE Peng Fei, Allen, JP Professor LEUNG Kwok

AUTHORIZED REPRESENTATIVES

LAU Kwok Kuen, Peter LUI Chi Hung

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants

董事會

執行董事

劉國權

(主席及行政總裁)

馮永昌 馬灼安

獨立非執行董事

歐文柱 畢滌凡 鄺其志,GBS,JP 李鵬飛,JP

董事會顧問

梁覺教授

集團首席財務總監

呂志雄

公司秘書

翁美儀

審核委員會

畢滌凡 歐文柱 鄺其志,GBS,JP 李鵬飛,JP

補償委員會

劉國權 畢滌凡 李鵬飛,JP 梁覺教授

授權代表

劉國權 呂志雄

核數師

羅兵咸永道會計師事務所 *執業會計師*

CORPORATE INFORMATION

公司資料

LAWYERS

Hong Kong lawyers
Robertsons
Arculli Fong & Ng

PRC lawyers King & Wood

REGISTERED OFFICE

Canon's Court 22 Victoria Street Hamilton HM12 Bermuda

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited Rosebank Centre 11 Bermudiana Road Pembroke HM08 Bermuda

BRANCH SHARE REGISTRARS AND TRANSFER OFFICE IN HONG KONG

Tricor Abacus Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank (Hong Kong) Limited BNP Paribas Citibank, N.A.

律師

香港律師 羅拔臣律師事務所 夏佳理 方和 吳正和 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

主要營業地點

香港 九龍 長沙灣道七七七至七七九號 天安工業大廈五樓

主要股份過戶登記處

Butterfield Fund Services (Bermuda) Limited Rosebank Centre 11 Bermudiana Road Pembroke HM08 Bermuda

股份過戶登記處 香港分處

卓佳雅柏勤有限公司 香港 灣仔 皇后大道東二十八號 金鐘滙中心二十六樓

主要往來銀行

香港上海滙豐銀行有限公司 渣打銀行(香港)有限公司 法國巴黎銀行 花旗銀行

CHAIRMAN'S STATEMENT

主席報告書

Dear Shareholders:

The Group's consolidated turnover approached HK\$5 billion in 2007, an increase of 13.2 percent compared with 2006. The Retail and Distribution Division achieved a sales efficiency increase of 2.4 percent. Due to stock clearance in the first quarter of 2007 and a lower manufacturing gross margin the Group's consolidated gross margin decreased from 49.8 percent to 47.6 percent. This temporary decline in gross margin should not cause undue alarm. Reflecting consumers' acceptance of Giordano's branding efforts, gross margin at the Group's directly managed retail operations recovered from the stock clearance in the first quarter to post a small increase for the full year. The Group's Retail and Distribution gross margin had been stabilized at the significantly higher level of 50.6 percent for 2007.

Operating profit of the Group was HK\$384 million of which virtually all were attributed to Retail & Distribution activities. Manufacturing activities managed to attain breakeven, reflecting the hardships faced by the textile and garment manufacturing industry.

The Group made a comprehensive risk assessment and competence evaluation vis-à-vis Mainland China two years ago and the Board strategically identified it as the Group's focal market. Our Mainland China Retail and Distribution activities have since posted a 15.2 percent same store increase in 2007 on the back of an 8.5 percent increase in 2006, and delivered six consecutive quarters of double-digit growth since the third quarter of 2006. We will continue to pursue an aggressive expansion program for Mainland China over the next few years. In particular, we plan to grow our network in Mainland China by at least 120 outlets in 2008, with exciting new landmark locations coming in Guangzhou, Hangzhou and elsewhere. Management has substantially increased the 2008 capital expenditure budget to between HK\$250 million and HK\$300 million to support the program.

The Group's profit attributable to shareholders was HK\$295 million. After due consideration of the Group's upcoming investment needs, especially in light of its significantly more aggressive expansion plan in Mainland China, the Board has recommended a final dividend of 5.0 HK cents per share and a special final dividend of 10.0 HK cents per share, in line with the Company's proactive dividend policy of returning excess cash to shareholders. I refer you to the Management Discussion and Analysis section of this annual report for more detailed information regarding the Group's operating results and financial position.

致各位股東:

本集團於二零零七年之綜合營業額向港幣五十億元的里程碑邁進,營業額較二零零六年增長分分之十三點二。零售及分銷部門的銷售效率提升百分之二點四。由於在二零零七年首季清理存貨和率下降,本集團之綜合毛利率可得過份憂慮毛利率暫時倒退的情況。本年便有貨後,本集團直接管理之零售業務的費高地學與品牌工作的認同。本集團零售及分銷業務於二零零七年之毛利率持平,維持在百分之五十點六的較高水平。

本集團之經營溢利達港幣三億八千四百萬元,近乎 全部源自零售及分銷業務。紡織及成衣製造業面對 困境,故製造業務僅能達致收支平衡。

早於兩年前,本集團便已對中國大陸市場進行全面 的風險與發展能力評估,董事會亦將之定為本集團 的重點策略市場。繼二零零六年取得百分之八點五 的同店增長後,本集團於中國大陸的零售及分銷工 務於二零零七年更進一步,錄得百分之十五點二 同店增長,是自二零零六年第三季起計起連續流的 同店增長,是自二零零六年第三季起計起連續流 極擴展中國大陸市場,計劃於二零零八年在中國大 陸增設最少一百二十間門市,當中包括於屬大 陸增設最少一百二十間門市,當中包括於屬大 杭州及其他城市開設新旗艦店。管理層已大幅提高 二零零八年之資本開支預算至介乎港幣二億五千萬 元至港幣三億元之間,以支持此項發展大計。

本集團之股東應佔溢利達港幣二億九千五百萬元。 經審慎考慮本集團即將之投資需要,特別是本集團 計劃進一步大力發展中國大陸市場,董事會建議派 發末期股息每股港幣五仙及特別末期股息每股港幣 一角,此舉體現本公司的積極派息政策,向股東回 饋富餘現金。有關本集團營運業績及財務狀況之進 一步詳情,本人謹請您們參考本年報中之管理層之 論述及分析一節。

CHAIRMAN'S STATEMENT

主席報告書

Generally, two brand management strategies are available in the apparel retail industry. The first one, branding, involves the building and nurturing of brands, meaning that management must continuously rejuvenate brands to fit the changing ecosystem of the apparel retail industry. The alternative is the portfolio strategy whereby older brands are continuously being pruned and new ones created to maintain the vitality of the portfolio. The Group has chosen to build and nurture its brands and has been successful in establishing a truly distinct brand identity and equity for Giordano. Indeed, in the 2006 Annual Report, I reported that the Group's 2007 priority was to strengthen branding and growth, supported by human and financial resource investments in design, merchandising and marketing. I am happy to report that the management team has delivered both a heightened brand awareness and healthy growth in most of our markets. I believe that the Group's ongoing efforts in bringing new blood, more creativity and innovation will bring even better results in the coming years, particularly in Mainland China.

In 2008, the Group begins its aggressive three-year plan focusing on Mainland China. At the same time, South Korea and Taiwan should see their operating environments improve this year and the Group will closely monitor their recoveries and improvements. The Group will also aggressively manage the stability and growth of our other key markets such as Singapore.

於二零零八年,本集團將開展其主攻中國大陸市場的三年積極業務拓展計劃。與此同時,南韓與台灣市場的營運環境應可望於年內改善,本集團將密切關注兩地業務的復甦及改善。此外,本集團亦會更積極地管理其他例如新加坡之主要市場的穩健表現與增長。

Good corporate governance comprises prudence, transparency, social responsibility, and constructive engagement with shareholders. Your company is rare among publicly listed companies in Hong Kong by having a wide and diverse shareholder base. It is therefore critical that the Board and Management answer to the highest corporate governance standards to protect the interests of and create value for our shareholders as well as other stakeholders. This is a responsibility and a promise that the Board and Management understand and take with the utmost seriousness. We are most appreciative of our shareholders who have been very supportive of the Company. Together with our people who are among the best in the industry, our suppliers and vendors who have been genuine business partners in every sense of the word, and not least our loyal but discerning customers who have time and again spurred Giordano to surpass itself, I am confident of our continued collective prosperity within a "World Without Strangers".

LAU Kwok Kuen, Peter

Chairman

March 28, 2008

劉國權

主席

二零零八年三月二十八日

管理層之論述及分析

RESULTS OF GROUP OPERATIONS

Overview

The Group made steady progress executing its brand differentiation and store expansion plans, delivering sharply better performance in key markets such as Mainland China, South Korea, Southeast Asia and the Middle East. Mainland China performed especially well, recording six consecutive quarters of double-digit top line growth since the third quarter of 2006, and achieving turnover and comparable store sales increases of 23.8 percent and 15.2 percent respectively. Malaysia, Indonesia and Thailand also saw turnover rising by 20.8 percent in 2007. This helped drive the Group's turnover to increase by 13.2 percent to HK\$4,950 million (2006: HK\$4,372 million). The strong performance of the Retail & Distribution Division (which encompasses the Group's directly managed retail operations as well as its franchise and wholesale businesses) drove the Group's gross profit to increase by HK\$179 million or 8.2 percent, despite the Garment Trading & Manufacturing Division (the "Manufacturing Division") recording an 11.9 percent decrease in gross profit. The Retail & Distribution Division achieved a 15.0 percent increase in its operating profit but this was offset by a much diminished contribution from the Manufacturing Division so that the Group's operating profit increased by 2.1 percent to HK\$384 million (2006: HK\$376 million). A strong recovery in profit contribution from South Korea and the Middle East lifted earnings before interest, tax, depreciation and amortisation ("EBITDA") by 7.6 percent to HK\$552 million (2006: HK\$513 million). With increased contribution from the Group's jointly controlled and associated companies and in the absence of the one-time tax charge of HK\$66 million recorded in 2006, profit attributable to shareholders of the Company increased by 43.9 percent to HK\$295 million (2006: HK\$205 million). The Group added 126 stores in 2007 to bring its global network to 1,895 at the end of 2007.

Growth momentum remained strong going into 2008 and, with the help of a cold Chinese New Year, sales in Mainland China surged by 43.2 percent and overall Group turnover increased by 17.1 percent year-on-year in the first two months of 2008.

本集團經營業績

概覽

本集團在實行其品牌區分及擴充門市計劃方面取 得穩步進展,在中國大陸、南韓、東南亞及中東 等主要市場的表現亦見躍進。中國大陸業務的表 現尤其突出, 自二零零六年第三季起, 已經連續 六個季度收入錄得雙位數增長,營業額和可比較 門市之銷售額增長分別為百分之二十三點八及 百分之十五點二。於二零零七年,馬來西亞、 印尼及泰國的營業額亦有百分之二十點八的增 長。本集團之營業額因此增長百分之十三點二, 達港幣四十九億五千萬元(二零零六年:港幣 四十三億七千二百萬元)。零售及分銷部門(包 括本集團直接管理之零售業務,以及其特許經營 及批發業務)表現強勁,帶動本集團之毛利增長 港幣一億七千九百萬元,升幅達百分之八點二, 儘管成衣貿易及製造部門(「製造部門」) 之毛利 錄得百分之十一點九跌幅。零售及分銷部門的經 營溢利增長百分之十五,惟增長被製造部門的 貢獻大減所抵銷,因此,本集團的經營溢利 增長百分之二點一,達港幣三億八千四百萬 元(二零零六年:港幣三億七千六百萬元)。 南韓及中東業務的盈利貢獻錄得強勁反彈,除利 息、税項、折舊及攤銷費用之盈利(「EBITDA」) 上升百分之七點六, 達港幣五億五千二百萬 元(二零零六年:港幣五億一千三百萬元)。 由於本集團共同控制及聯營公司之貢獻上升, 加上並無二零零六年的一次性税項開支港幣 六千六百萬元, 本公司股東應佔溢利增長百 分之四十三點九,達港幣二億九千五百萬元 (二零零六年:港幣二億零五百萬元)。本集團於 二零零七年增設一百二十六間新店,將全球網絡 擴展至二零零七年年底之一千八百九十五間門市。

踏入二零零八年,本集團業務的增長動力依然 強勁,加上受惠於農曆新年期間之寒冷天氣, 二零零八年首兩個月中國大陸的銷售額急升百分 之四十三點二,本集團整體營業額亦錄得百分之 十七點一的較去年同期增長。

管理層之論述及分析

Turnover and Gross Profit

Propelled by the strong results of our Mainland China operations which delivered turnover growth of 23.8 percent, the Retail & Distribution Division saw its turnover growing by 10.0 percent to HK\$4,420 million in 2007. The Group's directly managed retail outlets recorded a 2.4 percent increase in comparable store sales, a significant improvement over the 3.0 percent decline recorded in 2006. Meanwhile, third party sales of the Manufacturing Division grew by 50.1 percent but the increase was offset by a 32.7 percent reduction in sales to other Group companies resulting in the division posting a small net decrease in sales of 2.1 percent in 2007. Overall, the Group's turnover grew 13.2 percent to HK\$4,950 million in 2007.

營業額及毛利

本集團於中國大陸業務業績驕人,營業額增長百分之二十三點八;此亦推動零售及分銷部門於二零零七年的營業額增長百分之十,達港門四十四億二千萬元。本集團直接管理之零售門對也二零零六年錄得百分之三點四,取得明顯改之至點一,可惜增長被向其他集團公司銷售之銷售門比點一,可惜增長被向其他集團公司銷售之銷售門於百分之三十二點七所抵銷,令製造百分之二點一。整體而言,本集團於二零零七年的營業增長百分之十三點二,達港幣四十九億五千萬元。

YOY Change

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	對比去年同期變動
Retail & Distribution turnover	零售及分銷營業額	4,420	4,019	10.0%
Garment Trading & Manufacturing turnover	成衣貿易及製造 營業額	936	956	(2.1%)
Intra-group elimination	本集團內公司間抵銷	(406)	(603)	(32.7%)
Group turnover	本集團營業額	4,950	4,372	13.2%
Group gross profit	本集團毛利	2,357	2,178	8.2%
Group gross margin	本集團毛利率	47.6%	49.8%	(2.2)
Retail & Distribution comparable store sales	零售及分銷部門之 可比較門市之銷售額	2.4%	(3.0%)	N/A

Retail & Distribution gross profit increased by 9.4 percent and gross margin held steady at 50.6 percent (2006: 50.8 percent) despite heavy winter stock clearance in the first quarter of the year. However, manufacturing gross profit decreased by 11.9 percent and gross margin narrowed by 1.4 percentage points due to higher input costs (exacerbated by the appreciation of the RMB) on the one hand and continued downward pressure on selling prices on the other. The total effect then was the Group's gross profit grew by 8.2 percent, but gross margin was squeezed by 2.2 percentage points to 47.6 percent.

雖然本年度首季為大量冬季存貨進行清貨,但零售及分銷部門之毛利仍然增長百分之九點四,毛利率則保持百分之五十點六之穩定水平(二零零六年:百分之五十點八)。然而,在生產成本上升因人民幣升值而變本加厲之際,產品售價卻要繼續面對下調壓力,促使製造業務毛利下跌百分之十一點九及毛利率收窄一點四個百分點。此消彼長之下,雖然本集團之毛利增長百分之八點二,但毛利率收窄了二點二個百分點至百分之四十七點六。

管理層之論述及分析

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

Although the Retail & Distribution Division continued to experience escalating rental and staff costs, with the former rising by 5.9 percent and the latter by 16.0 percent (due largely to a 9.1 percent increase in our sales force) in 2007, they were more than matched by a 9.4 percent growth in gross profit, resulting in the division achieving a 15.0 percent increase in operating profit to HK\$384 million and a 0.4 percentage point increase in its operating margin to 8.7 percent in 2007. On the other hand, declining gross margins and rising costs caused the Manufacturing Division to break even on an operating level in 2007.

For the Group as a whole, operating expenses increased 8.6 percent to HK\$2,081 million (2006: HK\$1,916 million). Other income was HK\$108 million, a decrease of HK\$6 million from 2006. As a result, the Group's operating profit posted a 2.1 percent increase in 2007 to HK\$384 million. The Group's EBITDA increased by 7.6 percent to HK\$552 million (2006: HK\$513 million) while the 2007 EBITDA margin was 11.2 percent (2006: 11.7 percent).

經營費用、經營溢利及未計利息、税項、 折舊及攤銷費用之盈利(EBITDA)

雖然零售及分銷部門繼續面對租金與員工成本持續攀升的挑戰,租金與員工成本於二零零七年的升幅分別達到百分之五點九及百分之十六(主要由於銷售團隊的人數增加百分之九點一),幸而毛利增長達百分之九點四,推動該部門二零零七年的經營溢利上升百分之十五至港幣三億八千四百萬元,經營溢利率亦增長零點四個百分點至百分之八點七。另一方面,毛利率下跌與成本趨升,導致製造部門於二零零七年在營運層面上達到收支平衡。

本集團整體的經營費用上升百分之八點六至港幣二十億八千一百萬元(二零零六年:港幣十九億一千六百萬元)。其他收入為港幣一億零八百萬元,較二零零六年減少港幣六百萬元。因此,本集團於二零零七年之經營溢利增長百分之二點一,達港幣三億八千四百萬元。本集團之 EBITDA 上升百分之七點六至港幣五億五千二百萬元(二零零六年:港幣五億一千三百萬元),而二零零七年之 EBITDA 利潤率為百分之十一點二(二零零六年:百分之十一點十)。

				YOY Change
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	對比去年同期變動
Retail & Distribution	零售及分銷			
Operating profit	經營溢利	384	334	15.0%
Operating margin	經營溢利率	8.7%	8.3%	0.4
Garment Trading & Manufactu	uring 成衣貿易及製造			
Operating profit	經營溢利	-	42	(100.0%)
Operating margin	經營溢利率	-	4.4%	(4.4)
Group	本集團			
Operating profit	經營溢利	384	376	2.1%
Operating margin	經營溢利率	7.8%	8.6%	(0.8)

管理層之論述及分析

Profit Attributable to Shareholders

With improved focus within merchandising and tighter cost control, our South Korea joint-venture staged a recovery to post an after-tax profit in 2007 from breakeven in 2006. Meanwhile both our Middle East associated company and our Dongguan manufacturing joint venture continued to deliver sales and profit gains. As a result, after-tax profit contribution from the Group's jointly controlled companies and associated company increased 118.8 percent to HK\$35 million (2006: HK\$16 million). This helped to generate a 43.9 percent increase in profit attributable to shareholders in 2007 to HK\$295 million (2006: HK\$205 million).

In the absence of a one-time provision for additional PRC Foreign Enterprise Income Tax, the Group's taxation expense reverted to a more normal level of HK\$113 million (2006: HK\$173 million) and the Group's effective tax rate decreased to 29.6 percent in 2007 (2006: 46.1 percent). Although profits in higher tax Mainland China are expected to increase, the effect on the Group's effective tax rate is expected to be mitigated by the implementation of the new Enterprise Income Tax Law of the People's Republic of China, under which the income tax levied on foreign enterprises will be reduced from 33.0 percent to 25.0 percent with effect from January 1, 2008.

Cash Flow

Cash generated from operations increased by HK\$103 million but this was largely offset by a HK\$80 million increase in overseas tax paid, attributable largely to the additional PRC Foreign Enterprise Income Tax discussed above. As a result, net cash inflow from operating activities increased by HK\$37 million to HK\$343 million (2006: HK\$306 million).

Net cash outflow from investing activities increased by HK\$58 million to HK\$153 million (2006: HK\$95 million) due mainly to a HK\$31 million increase in capital expenditure to HK\$142 million in 2007 and a HK\$28 million increase in rental deposits, leasehold land and rental prepayments.

Net cash outflow from financing activities decreased by HK\$48 million to HK\$367 million in 2007 due mainly to an additional bank loan of HK\$38 million.

股東應佔溢利

由於對商品規劃加強專注及成本控制更趨嚴謹,本集團之南韓合營公司的業績得以復甦,由二零零六年的收支平衡轉為於二零零七年錄得除稅後溢利。與此同時,本集團的中東聯營公司與東莞的合營製衣公司,繼續帶來銷售額與溢利貢獻。因此,本集團之共同控制公司及聯營公司的除稅後溢利貢獻增長百分之一百一十八點八至港幣三千五百萬元(二零零六年:港幣一千六百萬元),推動了二零零七年的股東應佔溢利上升百分之四十三點九至港幣二億九千五百萬元(二零零六年:港幣二億零五百萬元)。

由於並無額外的中國外商投資企業和外國企業所得税的一次性撥備,本集團之税項支出回復至較正常的水平,為港幣一億一千三百萬元(二零零六年:港幣一億七千三百萬元),本集團之實際税率於二零零七年降至百分之二十九點一(二零零六年:百分之四十六點一)。雖然預期稅項較高之中國大陸市場之盈利將會增加,但隨著實施新的中華人民共和國外商投資企業和外國企業所得稅法,預期本集團實際稅率受到之影響將有所減輕:根據新稅法,國家對外商投資企業和外國企業徵收的所得稅稅率將由二零零八年一月一日起從百分之三十三降至百分之二十五。

現金流量

經營活動所產生之現金增加港幣一億零三百萬元,然而當中大部份被已繳海外税項中增加的港幣八千萬元(主要由於上述額外的中國外商投資企業和外國企業所得税)抵銷。因此,經營業務之現金流入淨額增加港幣三千七百萬元至港幣三億四千三百萬元(二零零六年:港幣三億零六百萬元)。

投資業務之現金流出淨額上升港幣五千八百萬元至 港幣一億五千三百萬元(二零零六年:港幣九千五百 萬元),主要由於二零零七年之資本開支增加 港幣三千一百萬元至港幣一億四千二百萬元,以及 租賃按金、租賃土地及租金預付款項增加港幣 二千八百萬元所致。

融資業務之現金流出淨額於二零零七減少港幣四千八百萬元至港幣三億六千七百萬元,主要由於 新增銀行貸款港幣三千八百萬元所致。

管理層之論述及分析

GROUP FINANCIAL POSITION

On December 31, 2007, the Group had cash and bank balances of HK\$570 million (2006: HK\$723 million) and inventories totalling HK\$441 million (2006: HK\$422 million). As a result, working capital decreased to HK\$736 million (2006: HK\$862 million). Healthy sales growth helped to reduce inventory turnover on sales to 33 days (2006: 35 days).

On December 31, 2007, total liabilities were HK\$909 million (2006: HK\$894 million). The increase is mainly due to a HK\$47 million increase in trade and other payables and a HK\$38 million increase in bank loans but was offset by a HK\$76 million reduction in tax. Shareholders' equity was HK\$1,927 million (2006: HK\$1,987 million). The Group's current ratio was 1.9 times (2006: 2.1 times) and its gearing was 5.0 percent (2006: 2.9 percent) based on shareholders' equity.

The Group significantly stepped up its store refurbishment and expansion programs, adding a total of 126 outlets in 2007, up from the 73 it added in 2006. As a result, capital expenditure during the year rose by 27.9 percent to HK\$142 million (2006: HK\$111 million) to account for 41.4 percent (2006: 36.3 percent) of net cash inflow from operating activities. In view of our plan to add at least 150 outlets worldwide in 2008, including the planned procurement and furnishing of a number of prime flagship locations in Mainland China and Hong Kong, Management anticipates capital expenditure to increase substantially to an estimated HK\$250 million to HK\$300 million in 2008.

The Group had financing facilities totalling HK\$368 million at the end of the year (2006: HK\$403 million), of which HK\$96 million had been drawn down and were outstanding.

本集團之財務狀況

於二零零七年十二月三十一日,本集團之現金 及銀行結存為港幣五億七千萬元(二零零六年: 港幣七億二千三百萬元),及存貨總額為港幣 四億四千一百萬元(二零零六年:港幣四億二千二百 萬元)。因此,營運資金減少至港幣七億三千六百萬 元(二零零六年:港幣八億六千二百萬元)。由於銷 售增長理想,帶動存貨對銷售流轉比率降至三十三 日(二零零六年:三十五日)。

於二零零七年十二月三十一日,負債總額為港幣九億零九百萬元(二零零六年:港幣八億九千四百萬元),升幅主要由於應付賬款及其他應付款增加港幣四千七百萬元以及銀行貸款增加港幣三千八百萬元所致,惟被稅項減少港幣七千六百萬元所抵銷。股東權益為港幣十九億二千七百萬元(二零零六年:港幣十九億八千七百萬元)。本集團之流動比率為一點九倍(二零零六年:二點一倍),而按照股東權益計算之資本負債比率為百分之五(二零零六年:百分之二點九)。

本集團大舉加快店舗翻新及擴充計劃,二零零七年增設一百二十六間新店,較二零零六年的七十三間新店數目上升。因此,年內的資本開支增加百分之二十七點九至港幣一億四千二百萬元(二零零六年:港幣一億一千一百萬元),佔經營業務現金流入淨額百分之四十一點四(二零零六年:百分之三十六點三)。鑒於本集團計劃於二零零八年在全球最少增設一百五十間新店,當中包括在中國大陸及香港的黃金地段計劃治購及裝設多間旗艦店,管理層估計二零零八年的資本開支將會大幅提升達至港幣二億五千萬元至港幣三億元之間。

於 年 底,本 集 團 之 融 資 信 貸 合 共 港 幣 三億六千八百萬元(二零零六年:港幣四億零三百萬元),當中港幣九千六百萬元信貸已經被提取而尚未 償還。

管理層之論述及分析

OPERATIONS HIGHLIGHTS

Garment Trading & Manufacturing Division

The Manufacturing Division saw its external sales to third parties rising by 50.1 percent to HK\$530 million but the increase was offset by a planned 32.7 percent reduction in sales to other Group companies resulting in the division posting a small overall decrease in sales of 2.1 percent in 2007. As a result, external sales to third parties accounted for 56.6 percent of the Manufacturing Division's 2007 turnover (2006: 36.9 percent) and the division supplied 16.2 percent of the Group's merchandise needs (2006: 25.7 percent). The division's results were negatively impacted by the continued downward pressure on selling prices coupled with a sharp rise in raw material and labour costs which was exacerbated by the steady appreciation of the RMB. Gross profit decreased by 11.9 percent and gross margin narrowed by 1.4 percentage points to 12.8 percent, resulting in the Manufacturing Division breaking even on an operating level in 2007. With the increasingly cloudy global economic outlook and the implementation of new labour regulations adding to the already strong upward pressure on wage costs, the Group will curtail new investment in manufacturing and employ various strategies to reduce its exposure to a challenging business. In the meantime, the Manufacturing Division will concentrate on expanding its high value-added product lines.

Retail & Distribution Division - Overview

The Group's steady push to differentiate and elevate its brands gained consumer acceptance, with all brands achieving improved performance in 2007. Mainland China growth was especially strong, posting six consecutive quarters of double-digit top line growth since the third quarter of 2006. Overall, the Retail & Distribution Division saw its turnover growing by 10.0 percent to HK\$4,420 million and its comparable store sales increasing by 2.4 percent in 2007, a significant improvement over the 3.0 percent decline in 2006. Retail & Distribution gross profit increased by 9.4 percent and gross margin held steady at 50.6 percent (2006: 50.8 percent) despite heavy clearance of winter stocks in the first quarter of the year. As a result, the Retail & Distribution Division's operating profit increased by 15.0 percent to HK\$384 million and its operating margin widened by 0.4 percentage points to 8.7 percent in 2007.

業務概況

成衣貿易及製造部門

製造部門向第三方的對外銷售上升百分之五十點 一至港幣五億三千萬元,但由於對其他集團公司 的銷售按計劃減少百分之三十二點七,故製造部 門於二零零十年之銷售額微跌百分之二點一。因 此,向第三方的對外銷售佔製造部門二零零七年 營業額之百分之五十六點六(二零零六年:百分之 三十六點九),本集團的貨品需求中,有百分之十六 點二(二零零六年:百分之二十五點七)由該部門供 應。由於產品持續面對售價下調的壓力,加上原材 料及勞工成本飆升(人民幣穩步升值使形勢更為嚴 峻),影響了製造部門的業績。毛利減少百分之十一 點九,毛利率則收窄一點四個百分點至百分之十二 點八,令製造部門於二零零十年在營運層面上達致 收支平衡。隨著全球經濟前景變得更不明朗,以及 原已面對大幅上調壓力的工資成本因新勞動法的實 施而百上加斤,本集團將削減對製造部門作出新投 資,並採取不同策略以減低製造業經營環境困難對 本集團的影響。與此同時,製造部門將集中擴充其 高增值產品系列。

零售及分銷部門-概覽

本集團一直致力區別及提升其品牌,此舉倍受消費者認同,旗下各品牌於二零零七年的表現,上一層樓。中國大陸業務的增長尤其強勁,自二零零六年第三季起計,已經連續六個季度整體營業額增長百分之十至港幣四十四億二千相比較門市之銷售額增長百分之二點四,相比較門市之銷售額增長百分之二點四,相比較門市之銷售額增長百分之二點四,是是不不完了。 在中國人工學學有貨作出清理,但是不不完了。 是一個對穩定,為百分之五十點六(二零零六年。 是一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。 一個對穩定,為百分之五十點六(二零零六年。

管理層之論述及分析

Retail & Distribution Division - Review by Brand

Giordano Ladies was the Group's best performer, with turnover growing by 17.8 percent and comparable store sales up by 9.1 percent in 2007. Brand elevation continued apace with an 11.0 percent increase in average selling price which helped gross margin to achieve a 1.0 percentage point improvement. During the year we launched the brand in Kuala Lumpur and Jakarta and added a total of eight outlets to bring the network to 39 by the end of 2007. Turnover increased by 13.2 percent in the first two months of 2008.

Giordano Concepts had performed to Management's expectation in its first full year of operations. The launch in Hong Kong in 2006 was followed in quick succession by new stores in Beijing, Shanghai, Guangzhou, Taipei, Singapore, Kuala Lumpur and Jakarta. The network grew from three stores in Hong Kong at the end of 2006 to stand at 14 outlets at the end of 2007 and the brand accounted for 4.4 percent of the Retail & Distribution Division's 2007 turnover. The brand was especially well received by Mainland Chinese consumers and as such we will focus on a rapid roll-out in 2008, with a view to adding at least ten outlets to the existing network of four in Mainland China. Giordano Concepts turnover increased 57.0 percent year-on-year in the first two months of 2008.

Although the spotlight is on growing our premium Giordano Ladies and Giordano Concepts brands, we have continued to devote significant resources to re-energize the core Giordano business by expanding and updating its range, while keeping true to the brand promise of offering basic, functional and value-oriented casual wear for the all-important middle market. One of our most important moves was to more than double our collection to over 3,000 styles a year so as to offer a wide enough selection to cater to the increasingly sophisticated and demanding consumers in our disparate markets today. We have also upgraded our store design to provide a more attractive and comfortable shopping environment. The revamp has been well received and as a result turnover increased by 5.7 percent to HK\$3,707 million in 2007. We added a total of 137 Giordano and Giordano Junior outlets in 2007, bringing our global network to 1,723 by the end of 2007. Giordano and Giordano Junior turnover increased by 17.1 percent year-on-year in the first two months of 2008.

零售及分銷部門一按品牌回顧

Giordano Ladies 是本集團表現最佳的品牌,於二零零七年營業額增長百分之十七點八,而可比較門市之銷售額上升百分之九點一。品牌提升進展持續,產品平均售價上升百分之十一,使到毛利率改善一個百分點。年內,本集團在吉隆坡及雅加達推出Giordano Ladies 品牌,新增門市總數為八間,於二零零七年底店舖網絡總數共達三十九間。該品牌營業額於二零零八年首兩個月上升百分之十三點二。

雖然推動 Giordano Ladies 及 Giordano Concepts 此兩個高檔品牌的增長是業務重點,但是本集團仍 繼續投入大量資源,為主系列 Giordano 業務重新 注入活力,擴充並更新其產品系列,同時秉承品牌 傳統,為極重要之中檔市場提供簡樸、實用且物 有所值之便服。本集團的其中一項重要策略是將 每年款式倍增至超過三千款,迎合今日不同市場中 精明且高要求之消費者的需要。本集團亦已提升門 市設計,提供更吸引、更舒適的購物環境。翻新 後的門市廣受歡迎,令二零零七年的營業額增長 百分之五點七至港幣三十七億零七百萬元。本集 團於二零零七年增設共一百三十七間 Giordano 及 Giordano Junior 門市,於二零零十年底,全球網絡 的店舖數目達一千七百二十三間。於二零零八年首 兩個月, Giordano 及 Giordano Junior 之營業額對 比去年同期增長百分之十七點一。

管理層之論述及分析

Recognising that the lack of a distinctive brand identity and differentiated product offering has been holding back the performance of the Bluestar Exchange line, in the first half of 2007 the Group launched a program to re-brand Bluestar Exchange to BSX which features a younger, more urban collection presented in a distinctive and modern shop environment. We converted a total of 17 stores to BSX and exited from 46 under-performing locations, leading to the network being consolidated to 117 stores and turnover decreasing by 9.9 percent to HK\$274 million in 2007. However, the fact that we were able to achieve same store sales growth of 12.1 percent postconversion plus an overall 2.5 percentage point gross margin expansion and a 13.2 percent increase in average selling price during this early transitional stage is indicative of the potential of this rebranded line.

有見於 Bluestar Exchange 系列因缺乏獨特的品牌 個性及具特色的產品以致表現一直停滯不前,本 集團於二零零十年上半年推出對策,將 Bluestar Exchange 易名為 BSX,主打較年青及城市化的款 式,突顯店舖的形象和加強其時代感。本集團已將 合共十七間門市轉為 BSX 品牌及結束四十六間表 現欠佳的門市。因此,截至二零零七年年底,其網 點已整合為一百一十七間,二零零七年之營業額減 少百分之九點九至港幣二億七千四百萬元。雖然轉 型計劃剛剛開始,但轉型後的門市已經取得百分之 十二點一的同店銷售增長,整體毛利率提升二點五 個百分點,平均售價上升百分之十三點二,由此可 見新品牌的潛力。

				YOY Change
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	對比去年同期變動
Giordano & Giordano Junior				
Turnover	營業額	3,707	3,507	5.7%
Comp store sales	可比較門市之銷售額	2.0%	(3.4%)	N/A
Giordano Ladies				
Turnover	營業額	245	208	17.8%
Comp store sales	可比較門市之銷售額	9.1%	8.1%	N/A
Giordano Concepts				
Turnover	營業額	194	-	N/A
Comp store sales	可比較門市之銷售額	N/A	N/A	N/A
Bluestar Exchange/BSX				
Turnover	營業額	274	304	(9.9%)
Comp store sales	可比較門市之銷售額	(2.3%)	(6.8%)	N/A
Retail & Distribution	零售及分銷			
Turnover	營業額	4,420	4,019	10.0%
Comp store sales	可比較門市之銷售額	2.4%	(3.0%)	N/A

管理層之論述及分析

Retail & Distribution Division - Review by Market

Mainland China

Our efforts to elevate our brands and expand our distribution in Mainland China yielded strong results. On the branding side, consumers reacted positively to our new and more upmarket collections, enabling us to raise average selling price by 18.8 percent and helping us to widen our gross margin by 1.4 percentage points in 2007. On the store growth side, we added 91 stores in Mainland China to expand our distribution network to 820 outlets. This, coupled with a 15.2 percent increase in comparable store sales, propelled our turnover to increase by 23.8 percent. As a result, Mainland China increased its share of the Retail & Distribution Division's turnover to 30.5 percent in 2007. Growth remained robust going into 2008 and, with the help of a cold Chinese New Year, sales surged by 43.2 percent year-onyear in the first two months of 2008. We plan to capitalize on the strong momentum to add at least 120 outlets in Mainland China in 2008, including new and exciting landmark locations in cities such as Guangzhou, Hangzhou and Changchun to showcase our products and service offerings.

零售及分銷部門 - 按市場回顧中國大陸

本集團於中國大陸提升品牌檔次及拓展分銷業務的 策略取得豐碩成果。經營品牌方面,顧客對新推出 的高檔款式反應理想,讓本集團於二零零七年得 以將平均售價提高百分之十八點八,亦讓本集團 之毛利率擴闊一點四個百分點。門市增長方面, 本集團於中國大陸增設九十一間門市,將分銷網 絡擴展至八百二十間門市; 再加上可比較門市之 銷售額增長百分之十五點二,帶動此部門的營業額 上升百分之二十三點八。因此,二零零七年中國 大陸業務佔零售及分銷部門營業額之份額升至百分 之三十點五。踏入二零零八年,業務增長動力依然 強勁,加上受惠於農曆新年期間寒冷的天氣,中國 大陸於二零零八年首兩個月的銷售額同比急升百分 之四十三點二。本集團計劃把握此大好形勢,於 二零零八年在中國大陸增設最少一百二十間門市, 當中包括於廣州、杭州及長春等城市的優質地段開 設新旗艦店,向廣大消費者展示本集團的產品及 服務。

Mainland China	中國大陸	2007	2006	2005	2004	2003
Sales (HK\$ millions) ¹	銷售額(港幣百萬元)1	1,349	1,090	987	952	815
Sales per sq. ft. (HK\$) ²	每平方呎銷售額 <i>(港元)</i> ²	2,900	2,400	2,400	2,400	3,000
Comparable store sales	可比較門市之銷售額	45.00/	0.50/	F F0/	0.00/	(10.00()
increase/(decrease) ³	增加/(減少)3	15.2%	8.5%	5.5%	6.9%	(12.9%)
Retail floor area (sq. ft.)4	零售面積(平方呎)4	690,700	605,100	585,600	557,800	484,300
Number of outlets ⁴	門市數目4	820	729	706	671	581

Including net sales to authorized dealers

On weighted-average basis for directly managed outlets

For directly managed outlets that were open for all 12 months in each of the two years under comparison

Total directly managed and authorized dealer outlets as at December 31

¹ 包括售予特許專賣商之銷售淨額

² 按加權平均基準計算之直接管理之門市

³ 指於兩個作比較之財政年度內經營滿十二個月之直接管理 門市

⁴ 於十二月三十一日直接管理及特許專賣商門市總數

管理層之論述及分析

Hong Kong

Overall performance of our Hong Kong operations was affected by the BSX re-branding program which necessitated the closure of eight Bluestar Exchange stores in 2007, resulting in sales in Hong Kong increasing by 2.2 percent only to HK\$892 million. However, sales under the Giordano brands (ie Giordano, Giordano Junior, Giordano Ladies and Giordano Concepts) grew by 7.0 percent in 2007 while comparable store sales rose by 8.6 percent, with average selling price and gross margin increasing by 19.3 percent and 1.0 percentage point respectively. Although we expect to further consolidate our distribution network in Hong Kong in light of the continued rental escalation and the ongoing reorganization of the Bluestar Exchange/BSX store portfolio, we expect our brand uplift and product improvement efforts to enable Hong Kong to continue to deliver respectable growth in 2008. Indeed, growth remained on trend with the Giordano brands posting an 11.8 percent turnover growth and 6.7 percent for the market as a whole in the first two months of 2008.

香港

因 BSX 重塑品牌計劃而需要將八間 Bluestar Exchange 門市結業,導致二零零十年香港整體業 務表現受到影響。香港市場的銷售額僅增加百分之 二點二至港幣八億九千二百萬元。然而,Giordano 品牌 (即 Giordano, Giordano Junior, Giordano Ladies 及 Giordano Concepts) 的銷售於二零零十年增 長百分之七,可比較門市之銷售額上升百分之 八點六,平均售價與毛利率亦分別上升百分之十九 點三及一個百分點。為應付租金持續上揚的挑戰 及繼續改組 Bluestar Exchange/BSX 的門市組合, 本集團計劃進一步整合香港的分銷網絡,而本集團 預計其為各 Giordano 品牌進行的提升品牌檔次及改 良產品工作,將可繼續推動香港業務於二零零八年 取得可觀增長。事實上,業務仍處升軌,於二零零 八年首兩個月各 Giordano 品牌取得百分之十一點八 的營業額增長,整體市場增長達百分之六點七。

Hong Kong	香港	2007	2006	2005	2004	2003
Sales (HK\$ millions)	銷售額(港幣百萬元)	892	873	867	810	697
Sales per sq. ft. (HK\$) ¹	每平方呎銷售額 <i>(港元)</i> 1	7,800	7,600	7,400	7,100	6,200
Comparable store sales increase/(decrease) ²	可比較門市之銷售額 增加/(減少) ²	8.1%	5.4%	4.4%	11.0%	(15.4%)
Retail floor area (sq. ft.) ³	零售面積(平方呎)3	110,900	117,300	119,500	113,700	112,100
Number of outlets ³	門市數目 ³	92	98	101	92	75

¹ On weighted-average basis

For outlets that were open for all 12 months in each of the two years under comparison

³ As at December 31

按加權平均基準計算

² 指於兩個作比較之財政年度內經營滿十二個月之門市

³ 於十二月三十一日

管理層之論述及分析

Taiwan

We continued to restructure our store portfolio to exit from underperforming locations (most of them belonging to *Bluestar Exchange*) and to trade up into better ones. In the process, we reduced our store network by 29 locations to a total of 210 outlets at the end of 2007. In spite of a generally stagnant economy and a reduction in our retail network, we kept our 2007 turnover more or less even at HK\$654 million (2006: HK\$658 million). With the conclusion of the 2008 legislative and presidential elections, we expect market conditions to begin improving the second half of 2008 or early 2009, especially in light of the incoming government's stated focus on improving economic growth and cross straits relations. In the meantime the year started strongly for us, with turnover in January and February rising by 13.6 percent year-on-year, and we will focus on optimizing operations to prepare for future growth.

台灣

Taiwan	台灣	2007	2006	2005	2004	2003
Sales (HK\$ millions)	銷售額(港幣百萬元)	654	658	732	707	604
Sales per sq. ft. (HK\$)1	每平方呎銷售額 <i>(港元)</i> 1	2,800	2,800	3,000	2,900	2,600
Comparable store sales (decrease)/increase ²	可比較門市之銷售額 (減少)/増加 ²	(4.2%)	(9.1%)	(5.8%)	0.8%	(13.2%)
Retail floor area (sq. ft.) ³	零售面積(平方呎)3	218,700	235,800	243,900	245,800	241,500
Number of outlets ³	門市數目 ³	210	239	237	236	195

On weighted-average basis

For outlets that were open for all 12 months in each of the two years under comparison

³ As at December 31

¹ 按加權平均基準計算

² 指於兩個作比較之財政年度內經營滿十二個月之門市

³ 於十二月三十一日

管理層之論述及分析

Singapore

Our performance in Singapore experienced a temporary setback in 2007 due to a reorganization of our operations there. The close monitoring and support from a strong management team brought in from Hong Kong has reduced the sales decline in the first two months of 2008.

新加坡

本集團於新加坡的業務由於營運重組,故此在 二零零七年的業務表現出現暫時性倒退。自香港借 調強大管理團隊,密切監督並支援新加坡發展,於 二零零八年首兩個月,銷售跌幅已收窄。

Singapore	新加坡	2007	2006	2005	2004	2003
Sales (HK\$ millions)	銷售額(港幣百萬元)	390	403	403	391	348
Sales per sq. ft. (HK\$)1	每平方呎銷售額 <i>(港元)</i> 1	6,900	7,700	8,300	8,700	7,700
Comparable store sales (decrease)/increase ²	可比較門市之銷售額 (減少)/増加 ²	(10.9%)	(11.9%)	(1.2%)	12.6%	(14.0%)
Retail floor area (sq. ft.) ³	零售面積(平方呎) ³	57,300	55,100	50,500	48,600	43,600
Number of outlets ³	門市數目 ³	53	53	48	47	43

On weighted-average basis

- 1 按加權平均基準計算
- 2 指於兩個作比較之財政年度內經營滿十二個月之門市
- ³ 於十二月三十一日

Malaysia, Indonesia, Thailand, Australia and Other Markets

Buoyed by a pick up in commodity prices and exports, consumer confidence and spending strengthened in Southeast Asia in 2007, benefiting our business. Sales in Malaysia, Indonesia and Thailand increased by 20.8 percent in 2007, on a par with the growth we experienced in Mainland China. The three markets saw sales growing by 12.5 percent in the first two months of 2008.

Although the Australian economy also benefited from the global commodities boom, our Australian operations did not achieve the double-digit growth experienced by our Southeast Asian businesses in 2007. We are, however, in the process of improving its merchandising strategy in order to build on the 3.5 percent turnover growth Australia achieved in 2007. Finally, our other markets together recorded a 13.9 percent turnover growth in 2007.

馬來西亞、印尼、泰國、澳洲及其他市場

商品價格上揚加上出口強勁,二零零七年東南亞市場的消費者信心與消費力增強,惠及本集團業務。馬來西亞、印尼及泰國於二零零七年的銷售額增長百分之二十點八,可媲美中國大陸業務的增長。上述三個市場於二零零八年首兩個月的銷售額增長百分之十二點五。

雖然澳洲經濟亦受惠於全球商品牛市,但澳洲業務未能取得東南亞業務於二零零七年的雙位數增長。然而,本集團正改善商品規劃策略,務求繼二零零七年澳洲營業額錄得百分之三點五增長後再進一步。最後,其他市場之營業額於二零零七年共錄得百分之十三點九的增長。

Sales (In HK\$ millions)	銷售額(以港幣百萬元為單位)	2007	2006	對比去年同期上升
Australia	澳洲	235	227	3.5%
Malaysia	馬來西亞	151	120	25.8%
Indonesia	印尼	169	145	16.6%
Thailand	泰國	121	100	21.0%
Others	其他市場	459	403	13.9%

For outlets that were open for all 12 months in each of the two years under comparison

As at December 31

管理層之論述及分析

Jointly Controlled and Associated Companies

South Korea

Although fierce competition and a weak retail environment still hindered our overall top line performance in South Korea, with full year turnover down 3.2 percent compared to 2006, sales trend began to turn in the fourth quarter of 2007 and the first two months of 2008 saw sales growing by 13.0 percent year-on-year. More importantly, better merchandising discipline at the core *Giordano* business allowed South Korea to achieve a 2.4 percentage point expansion in its gross margin in 2007. This, together with a greater focus on cost control, enabled our South Korean business to post a profit for the full year whereas it just managed to break even last year. As a result, our South Korean jointly controlled company made a profit contribution of HK\$13 million (2006: Nil). On December 31, 2007, the Group held 48.8 percent in its South Korean jointly controlled company.

共同控制及聯營公司

南韓

South Korea	南韓	2007	2006	2005	2004	2003
Sales (HK\$ millions)	銷售額(港幣百萬元)	982	1,014	995	895	1,004
Sales per sq. ft. (HK\$)1	每平方呎銷售額 <i>(港元)</i> 1	6,700	7,500	6,300	5,900	7,200
Comparable store sales decrease ²	可比較門市之銷售額 減少 ²	(8.6%)	(6.5%)	(4.0%)	(13.4%)	(30.6%)
Retail floor area (sq. ft.) ³	零售面積(平方呎)3	145,600	135,600	157,000	150,600	139,100
Number of outlets ³	門市數目 ³	173	148	168	172	172

On weighted-average basis

For outlets that were open for all 12 months in each of the two years under comparison

³ As at December 31

¹ 按加權平均基準計算

² 指於兩個作比較之財政年度內經營滿十二個月之門市

³ 於十二月三十一日

管理層之論述及分析

Middle East and India

Aided by the region's continuing economic and consumption boom, our Middle East business achieved a 29.5 percent increase in its turnover to HK\$465 million and a 10.9 percent increase in its comparable store sales. As a result, profit contribution from our Middle East associated company increased to HK\$12 million (2006: HK\$8 million). We added 13 outlets during the year to bring the total store count to 142. The Group held a 20.0 percent shareholding in its Middle East associate at December 31, 2007. Although growth in the region is expected to slow from the torrid pace in 2007, we continue to expect good growth in 2008, with the first two months seeing turnover growing by 11.8 percent year-on-year.

We completed our first full year of operations in India, recording sales of HK\$6 million in 2007. We expanded out of our base in Chennai with new store launches in Delhi, Mumbai and Ahmedabad so that our network stood at five at the end of 2007. We plan to at least double our network in 2008 to ten stores with launches in other key urban centres such as Bangalore and Hyderabad.

中東及印度

中東地區經濟持續增長,消費市道蓬勃,中東業務之營業額亦增長百分之二十九點五至港幣四億六千五百萬元,可比較門市之銷售額亦增長百分之十點九。因此,本集團中東聯營公司之盈利貢獻上升至港幣一千二百萬元(二零零六年:港幣八百萬元)。年內,本集團在中東市場增設十三間,於二零零七年十二月三十一日,本集團持有中東聯營公司百分之二十的股權。雖然本集團預期當地於二零零七年年份會取得不俗增長,而中東市場首兩個月之營業額對比去年同期增長百分之十一點八。

二零零七年是印度業務的首次全年營運,錄得銷售額達港幣六百萬元。本集團從清奈的基地拓展至其他地方,在德里、孟買及阿默達巴德增設新店,於二零零七年底,印度網絡由五間門市組成。本集團計劃於二零零八年將網點數目倍增至十間,在邦加羅爾及海德拉巴等其他主要城市中心開店。

Middle East	中東	2007	2006	2005	2004	2003
Sales (HK\$ millions)	銷售額(港幣百萬元)	465	359	332	288	234
Sales per sq. ft. (HK\$)1	每平方呎銷售額 <i>(港元)</i> 1	3,100	2,700	3,100	3,200	3,000
Comparable store sales increase/(decrease) ²	可比較門市之銷售額 增加/(減少) ²	10.9%	1.6%	2.4%	6.1%	(4.1%)
Retail floor area (sq. ft.) ³	零售面積(平方呎) ³	149,900	132,600	107,500	90,800	77,800
Number of outlets ³	門市數目 ³	142	129	107	89	75

On weighted-average basis

Manufacturing

Dongguan Speedy Garment, the Group's manufacturing joint-venture in Dongguan, China, just about doubled its turnover to HK\$612 million in 2007 (2006: HK\$321 million) and made an after-tax profit contribution of HK\$10 million (2006: HK\$8 million) to the Group. The Group held a 49.0 percent shareholding in Dongguan Speedy Garment as at December 31, 2007.

- 1 按加權平均基準計算
- 2 指於兩個作比較之財政年度內經營滿十二個月之門市
- ³ 於十二月三十一日

製造

本集團位於中國東莞的合營製衣公司東莞迅捷環球錄得其二零零七年之營業額倍增至港幣六億一千二百萬元(二零零六年:港幣三億二千一百萬元),對本集團作出除稅後溢利貢獻港幣一千萬元(二零零六年:港幣八百萬元)。於二零零七年十二月三十一日,本集團持有東莞迅捷環球百分之四十九的股權。

For outlets that were open for all 12 months in each of the two years under comparison

³ As at December 31

管理層之論述及分析

HUMAN RESOURCES

On December 31, 2007, the Group had 12,100 employees. Human resources – how to recruit, retain, develop and motivate high potential people – have always been a priority for the Company. The Company offers competitive remuneration packages and generous, goal-oriented bonuses to different levels of staff. Senior managers are also offered generous incentive bonus schemes and share options as a means to reward and retain a high calibre management team. Please refer to pages 36 to 38 in this annual report for details about the Company's Remuneration Policy.

Although a competitive remuneration package is important, numerous studies and experiences have shown that it is not sufficient in attracting and retaining staff. Values, fairness and opportunities for further professional and personal development are also important considerations for people. As such, the Group invests heavily in a comprehensive staff training and development program. The program focuses not only on basic sales and service training for front-line staff, but also includes topics such as advanced sales training, basic and advanced management training, leadership seminars and other talent development programs that are designed to address the all round personal and professional development needs of our people. The Company also encourages individual initiative and responsibility for development and has instituted an Employee Self Learning Program. Performance in the program is an important consideration in evaluating an individual employee's performance for advancement, salary and bonus.

OUTLOOK

The Group is encouraged by the steady and solid growth it has achieved this year. Our strategy of measured, profitable growth through meaningful brand differentiation and targeted geographical expansion has proven to be the correct one. We will stay the course in 2008 to focus on further differentiation and elevation of our brands. We will also push for faster growth in Mainland China and reinforce the nascent turnaround in South Korea. Our target is to expand our global distribution network by at least 150 outlets to over 2,000 and to sustain double-digit turnover growth in 2008. To this end, Management has substantially increased capital expenditure from the HK\$142 million in 2007 to an estimated HK\$250 million to HK\$300 million in 2008 to fund store procurement and furnishing, including a number of new and exciting landmark locations in Mainland China and Hong Kong.

人力資源

於二零零七年十二月三十一日,本集團有一萬二千一百名僱員。人力資源一如何聘請、挽留、發展及激勵有潛質人才,一直是本公司的首要工作。本公司一直為各級員工提供具競爭力的薪津組合,並發放按目標為本計算之優厚花紅。為酬報並留用優秀幹練的管理團隊,高級管理人員亦可參與優厚的花紅獎勵計劃及獲發購股權。有關本公司之薪酬政策詳情,請參閱本年報第三十六頁至第三十八頁。

多項研究及經驗顯示,優厚的薪津組合固然重要,但卻不足以吸引及挽留員工。價值觀、公平以及未來專業及個人發展的機會,也是人才選擇公司時的重要考慮因素。因此,本集團大力投資資本的重要考慮因素。因此,不單著眼於前線員員工培訓及發展計劃,不單著眼於前線員員下的基本銷售及服務培訓,更涵蓋其他課題,例如高級的銷售培訓、基本及高級的管理培訓、領導能力對政事。以及其他才能發展計劃,課程設計旨在針對員工在個人及專業全面發展的需要。本公司亦鼓勵員工自發自主學習,設立僱員自學計劃。本集團在考慮僱員個人晉升、加薪及增發花紅時亦會看重僱員在該計劃的表現。

展望

管理層之論述及分析

In particular, Mainland China with its strong underlying economic fundamentals and favourable outlook will continue to be the key growth engine for us. As such, we plan to add at least 120 outlets in Mainland China in 2008 and will continue to invest heavily in building our design and management teams there. The first two months of 2008 have seen turnover in Mainland China increasing by 43.2 percent year-on-year.

Further expansion of our premium *Giordano Ladies* and *Giordano Concepts* brands will also be a priority for the Group. We started the year on a positive note with *Giordano Ladies* and *Giordano Concepts* together achieving a 29.9 percent year-on-year increase in the first two months of 2008. Plans are underway to increase store openings from the 19 achieved in 2007 to a targeted 30 to bring the number of *Giordano Ladies* and *Giordano Concepts* outlets to over 80 by the end of 2008. The bulk of the growth will consist of new *Giordano Concepts* locations in both first tier and selected second tier cities in Mainland China.

DIVIDENDS

It is the Company's intention to return surplus cash to its shareholders through the regular payment of dividends and, in line with its dividend philosophy, the Company has been paying an ordinary dividend amounting to about one-third of its earnings plus a special dividend the amount of which may vary depending on cash on hand, future investment requirements and other considerations.

After due consideration of the Group's upcoming investment needs, especially in light of its significantly more aggressive expansion plan in Mainland China, the Board has resolved to recommend to shareholders the payment of a final dividend of 5.0 HK cents (2006: 5.0 HK cents) per share and a special final dividend of 10.0 HK cents (2006: 15.0 HK cents) per share for the year ended December 31, 2007. Together with the interim dividend of 4.5 HK cents (2006: 4.5 HK cents) per share and the special interim dividend of 2.0 HK cents (2006: 2.0 HK cents) per share paid on September 14, 2007, total 2007 dividend amounted to 21.5 HK cents (2006: 26.5 HK cents) per share, representing a payout of 108.6 percent of 2007 per share earnings. Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the final and special final dividends will be payable on or about Monday, May 19, 2008 to shareholders whose names appear on the register of members of the Company on Wednesday, May 14, 2008.

尤其中國大陸的經濟基調良好,前景秀麗,將會繼續是本集團的增長動力。因此,本集團計劃於二零零八年在中國大陸最少增設一百二十間門市,並會繼續大力投資以建立當地的設計及管理團隊。中國大陸市場於二零零八年首兩個月之營業額按年增長百分之四十三點二。

本集團另一優先項目是進一步拓展旗下的一線品牌 Giordano Ladies 及 Giordano Concepts。本集團 於年初先拔頭籌,Giordano Ladies 及 Giordano Concepts 品牌於二零零八年首兩個月的按年增長達百分之二十九點九。Giordano Ladies 及 Giordano Concepts 品牌於二零零七年增設了十九間新店,而二零零八年則計劃增設三十間門市,目標是於二零零八年底共有超過八十間門市。主要增長動力將來自在中國大陸的一線及選定二線城市開設的 Giordano Concepts 新門市。

股息

本公司擬透過定期派發股息將現金盈餘回饋其 股東,並一直根據本公司之股息政策派發約相當於 其盈利三分之一的普通股股息,另外考慮現金結存 水平、未來投資需要,以及眾多其他因素後,酌情 派發之特別股息。

經審慎考慮後,董事會議決建議向股東派發截至二零零七年十二月三十一日止年度之末期股息原派發也息息之末期股息每股港幣五仙(二零零六年:港幣五仙)及特別中期股息每股港幣二仙(二零零六年:港幣一月,二零零七年九月十四日派村的四點五仙)及特別中期股息每股港幣二仙(二零零六年:港幣一月,二零零七年之股息合共為三十四日,一十四日,是期一分派發予於二零零八年五月十四日(星期三)名列於本公司股東名冊上之股東。

董事及高級管理人員簡介

Dr. LAU Kwok Kuen, Peter (Chairman), aged 55, is the Group's Chief Executive and a member of the Compensation Committee of the Company. He joined the Group in 1987, became the Chief Executive on February 8, 1994, and was elected Chairman of the Board of Directors of the Group on August 10 in the same year. Dr. Lau holds a Doctorate degree in Business Administration from The Hong Kong Polytechnic University and an MBA degree from the University of Calgary in Canada. He is a member of The Canadian Institute of Chartered Accountants. Prior to joining the Group, Dr. Lau had over 12 years of accounting experience in the private and public sectors in Canada.

Mr. FUNG Wing Cheong, Charles (Executive Director), aged 46, joined the Group in 1988 and has assumed the current position in the Company since February 11, 1997. Mr. Fung is also the General Manager of the Group's operations in Taiwan and director of certain subsidiaries of the Group. He holds a bachelor degree from The University of Hong Kong and an MBA degree from the National University of Singapore. Before joining the Group, Mr. Fung had worked for five years in the real estate business.

Mr. MAH Chuck On, Bernard (Executive Director), aged 58, joined the Group in 1996 and was appointed to the current position of the Company on June 14, 1999. Mr. Mah is also the Executive Chairman of the Group's operations in Mainland China and Group Executive Director – Global Business Development. He graduated from the University of Alberta in Canada with a bachelor degree in Business Administration and is a member of The Canadian Institute of Chartered Accountants. Prior to joining the Group, Mr. Mah had gained extensive experience in industrial and commercial investment sectors and had held senior government positions in accounting and auditing in Canada for 15 years.

劉國權博士(主席),現年五十五歲,為本集團行政總裁,彼亦為本公司補償委員會成員。彼於一九八七年加入本集團,並於一九九四年二月八日成為行政總裁,同年八月十日獲選為本集團董事會主席。劉博士持有香港理工大學工商管理博士學位及加拿大卡加里大學工商管理碩士學位。彼為加拿大特許會計師公會會員。於加入本集團前,劉博士於加拿大之私營及公營機構有超過十二年的會計工作經驗。

馮永昌先生(執行董事),現年四十六歲,於一九八八年加入本集團,並自一九九七年二月十一日起在本公司擔任現職銜。馮先生亦為本集團台灣業務之總經理及若干附屬公司之董事。彼持有香港大學學士學位及新加坡國立大學工商管理碩士學位。於加入本集團前,馮先生有五年房地產業務經驗。

馬灼安先生(執行董事),現年五十八歲,於一九九六年加入本集團,並於一九九九年六月十四日獲本公司委任現職銜。馬先生亦為本集團中國大陸業務之執行主席及海外業務拓展執行董事。彼畢業於加拿大阿伯特大學,取得商業管理學士學位。彼亦為加拿大特許會計師公會會員。於加入本集團前,馬先生擁有豐富工商投資經驗,並曾於加拿大政府之會計及核數部門出任高職達十五年。

董事及高級管理人員簡介

Mr. AU Man Chu, Milton (Independent Non-executive Director), aged 57, joined the Company on December 11, 2000 and is a member of the Audit Committee of the Company. Mr. Au holds a Bachelor of Commerce degree from the University of Alberta in Canada and is a member of The Canadian Institute of Chartered Accountants. He has over 25 years of experience in finance and management. Mr. Au was an executive director of Noble Group Limited, a company listed in Singapore, from December 1, 1995 to December 31, 2003. He has been re-designated as one of its non-executive directors since January 1, 2004. Mr. Au is also a member of the board of directors of Hong Kong International Film Festival Society Limited, a non-profit making organization.

Mr. Barry John BUTTIFANT (Independent Non-executive Director), aged 63, joined the Group in May 1991. He is also chairman of the Audit Committee and a member of the Compensation Committee of the Company. He is an independent non-executive director of Daiwa Associate Holdings Limited and Alltronics Holdings Limited. Mr. Buttifant also serves as a non-executive director of Global-Tech Appliances Inc. and China Nepstar Chain Drugstore Ltd., both of which are New York Stock Exchange-listed companies. Mr. Buttifant has been appointed as the executive director - Finance of Mission Hills Group ("MHG") and an executive director of Hsin Chong Construction Group Ltd. ("HCCG") in February 2008. He was formerly an alternate director of HCCG from 2004 to 2007. Prior to joining MHG, he was the managing director of Hsin Chong International Holdings Limited, a controlling shareholder of both the construction company HCCG (which was acquired by MHG in November 2007) and a property management service company, Synergis Holdings Limited ("Synergis"). Mr. Buttifant was an alternate director of Synergis from 2005 to 2007. Mr. Buttifant was an operating partner of Baring Private Equity Asia Limited. He was also the managing director of Wo Kee Hong (Holdings) Limited ("Wo Kee Hong") from 2001 to 2002 and was the Advisor to the board of directors of Wo Kee Hong from November 2002 to April 2004. Prior to joining Wo Kee Hong, he was the managing director of IDT International Limited for over eight years and had worked for Polly Peck Group and Sime Darby Hong Kong Limited for more than 11 years in the capacity of finance director and managing director. Mr. Buttifant is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Chartered Management Institute, the Hong Kong Management Association and the Hong Kong Institute of Directors.

歐文柱先生(獨立非執行董事),現年五十七歲,於二零零零年十二月十一日加入本公司,彼亦為本公司審核委員會成員。歐先生持有加拿大阿伯特大學商業學學士學位,及為加拿大特許會計師公會會員。彼擁有超過二十五年財務及管理的經驗。歐先生於一九九五年十二月一日可經驗。歐先生於一九九五年十二月一日於新加坡上市之公司-Noble Group Limited之執行董事。自二零零四年一月一日起到任為該公司非執行董事之一。歐先生亦是一非牟利機構-香港國際電影節協會有限公司之董事局成員。

畢滌凡先生(獨立非執行董事),現年六十三歲, 於一九九一年五月加入本集團,彼並為本公司審核 委員會主席及補償委員會成員。彼為台和商事控股 有限公司及華訊股份有限公司之獨立非執行董事。 畢滌凡先生亦為於紐約聯合交易所上市之 Global-Tech Appliances Inc. 及中國海王星辰連鎖藥店 有限公司之非執行董事。畢滌凡先生於二零零八年 二月獲委任為駿豪集團(「駿豪集團」)之集 團財務執行董事及新昌營造集團有限公司 (「新昌營造集團」) 之執行董事。彼於二零零四年 至二零零十年期間曾為新昌營造集團之替代 董事。於加入駿豪集團前,彼曾於建築公司 新昌營造集團(於二零零七年十一月獲駿豪集團 收購)及物業管理服務公司新昌管理集團有限 公司(「新昌管理集團」) 這兩間公司之控股 股東 Hsin Chong International Holdings Limited 擔任董事總經理職務。畢滌凡先生於二零零五年至 二零零七年期間出任新昌管理集團之替代董事,亦 曾為霸菱亞洲投資有限公司之營運合夥人。彼於 二零零一年至二零零二年期間亦擔任和記行 (集團)有限公司(「和記行」)之董事總經理,並 於二零零二年十一月至二零零四年四月期間出任 和記行之業務及企業發展顧問。於加入和記行前, 彼於萬威國際有限公司擔任董事總經理超過八年, 並曾於寶麗碧集團和森那美香港有限公司工作超過 十一年,期間曾出任財務董事及董事總經理職務。 畢滌凡先生為特許公認會計師公會、香港會計師 公會、Chartered Management Institute、香港管理 專業協會及香港董事學會之資深會員。

董事及高級管理人員簡介

Mr. KWONG Ki Chi. GBS, JP (Independent Non-executive Director). aged 57, joined the Company as an Independent Non-executive Director on April 26, 2004 and is a member of the Audit Committee of the Company. Mr. Kwong graduated from The University of Hong Kong with a Bachelor of Science degree in Physics and Mathematics and was awarded a Master of Philosophy degree in Economics and Politics of Development by the University of Cambridge, England, He has served in the Government of Hong Kong for 27 years and held positions principally in the economic and financial fields. He was the Secretary for the Treasury from 1995 to 1998, with responsibility for the public finances, and Secretary for Information Technology and Broadcasting from 1998 to March 2000, with responsibility for information technology, telecommunications and broadcasting. He left the Government of Hong Kong Special Administrative Region in March 2000 to join the Hong Kong Exchanges and Clearing Limited as executive director and first Chief Executive, following the demutualization and merger of the Stock Exchange of Hong Kong, the Hong Kong Futures Exchange and their associated clearing houses and retired in April 2003. From January to June 2004, Mr. Kwong was the managing director of Hsin Chong International Holdings Ltd.. He was a non-executive director of Hsin Chong Construction Group Ltd. ("Hsin Chong") from August 2004 to August 2007 and Synergis Holdings Limited ("Synergis") from September 2004 to September 2007, the shares of both Hsin Chong and Synergis are listed on the Stock Exchange of Hong Kong. Prior to acting as a non-executive director of Hsin Chong and Synergis, he was an alternate director of Hsin Chong from January to August 2004 and Synergis from January to September 2004. Mr. Kwong was also an independent non-executive director of CDC Corporation, a NASDAQ listed company, from June 2003 to September 2005 and the managing director of Hongkong Sales (Int'I) Limited from July 2004 to July 2006. He is currently an executive director of Macau Legend Development Ltd., a company based in Macau and engaged in the leisure industry.

Mr. Kwong is a non-official Justice of the Peace in Hong Kong and has been awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. He holds a number of public service positions, including Vice Patron of The Community Chest of Hong Kong.

鄘其志先生,GBS, JP (獨 ▽ 非 執 行 董 事), 現年五十七歲,於二零零四年四月二十六日加入 本公司為獨立非執行董事,彼亦為本公司審核委員 會成員。鄺先生持有香港大學物理及數學理學士 學位,亦在英國劍橋大學獲取經濟及政治發展 (Economics and Politics of Development) 哲學碩士 學位。彼在香港政府服務二十七年,主要擔任 經濟及金融事務之職位。彼於一九九五年 至一九九八年擔任庫務司/庫務局局長, 主要負責公共財政事務,及於一九九八年至 二零零零年三月擔任資訊及廣播局局長,主 要負責資訊科技、電信及廣播事務。隨著 香港聯合交易所、香港期貨交易所及其相關結算所 改革及合併,彼於二零零零年三月離開香港特別 行政區政府加入香港交易及結算所有限公司擔任 執行董事及首位行政總裁直至二零零三年四月卸任。 於二零零四年一月至六月期間,鄺先生受聘為新昌 國際集團之董事總經理,並分別於二零零四年八月 至二零零七年八月及二零零四年九月至二零零七年 九月期間出任新昌營造集團有限公司(「新昌營造」) 及新昌管理集團有限公司(「新昌管理」)之非執行 董事,該兩間公司均於香港聯合交易所上市。彼於 擔任新昌營造及新昌管理之非執行董事前,曾分別 於二零零四年一月至八月及二零零四年一月至九月 期間出任新昌營造及新昌管理之替代董事。鄺先生 於二零零三年六月至二零零五年九月期間獲委任為 於納斯達克(NASDAQ)上市的 CDC Corporation 之獨立非執行董事,並於二零零四年七月至 二零零六年七月期間出任偉新(國際)有限公司之 董事總經理。彼現為於澳門從事娛樂業務的澳門 勵駿創建有限公司之執行董事。

鄺先生為香港非官守太平紳士及獲香港特別行政區政府頒授金紫荊星章。彼亦擔任多項公職,其中包括香港公益金名譽副會長。

董事及高級管理人員簡介

Dr. LEE Peng Fei. Allen. JP (Independent Non-executive Director). aged 67, joined the Company on September 10, 1999. He is also a member of the Audit Committee and the Compensation Committee of the Company. He holds an honorary degree of Doctor of Engineering from The Hong Kong Polytechnic University and an honorary degree of Doctor of Laws from The Chinese University of Hong Kong. Dr. Lee is a deputy of Hong Kong SAR, the 9th and 10th National People's Congress, PRC. He has taken an active role in public service.

Professor LEUNG Kwok (Board Advisor), aged 49, has been providing consulting services to the Group since 1987. He is also a member of the Compensation Committee of the Company. Professor Leung received his Ph.D. in Psychology from University of Illinois, Urbana-Champaign, U.S.A.. He holds a chair in management at the City University of Hong Kong. In addition to his international reputation for his scholarly work, he has extensive consulting experience with a wide range of organizations and government departments in Hong Kong and Mainland China.

Mr. CHEUNG Kwok Leung, aged 56, is the Managing Director of the Group's manufacturing division. He joined the Group in 1990 and has over 33 years of experience in the garment manufacturing industry.

Mr. LUI Chi Hung, aged 46, is the Group Chief Financial Officer. He holds an MBA degree from The Hong Kong University of Science and Technology and a Master degree in Finance from The Chinese University of Hong Kong. He is a fellow member of The Association of Chartered Certified Accountants, and an associate member of the Hong Kong Institute of Certified Public Accountants and the Certified General Accountants Association of Canada. He joined the Group in 2002 and has over 25 years of experience in finance and accounting field.

Dr. NGAN Lei Tjen, aged 45, is the Group Human Resources Director and Principal Consultant of Lau, Wong & Associates Consultants Limited. She holds a Doctorate degree in Business Administration from The Hong Kong Polytechnic University and a BBA degree from The Chinese University of Hong Kong. Dr. Ngan is also a diplômée HEC Paris, France. She is a US Certified Public Accountant, a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and a member of the Certified General Accountants Association of Canada. Dr. Ngan is also a member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators (UK). She joined the Group in 2006 and has 20 years of broad experience in the banking field.

李鵬飛博士, JP (獨立非執行董事), 現年六十七歲, 於一九九九年九月十日加入本公司,彼亦為本公司 審核委員會及補償委員會成員。彼持有香港理工 大學工程博士榮譽學位及香港中文大學法學博士 榮譽學位。李博士為中華人民共和國第九及第十屆 全國人民代表大會香港特別行政區代表。彼積極參 與公共事務。

梁覺教授(董事會顧問),現年四十九歲,自 一九八十年起為本集團提供顧問服務,彼亦為 本公司補償委員會成員。梁教授於美國伊利諾大學 Urbana-Champaign 分校獲得心理學博士學位, 現仟香港城市大學管理學系講座教授。梁教授為國際 知名學者,亦擁有在香港及中國大陸不同機構及 政府部門資深的顧問經驗。

張國良先生,現年五十六歲,本集團製衣部門之 董事總經理。彼於一九九零年加入本集團,擁有 超過三十三年製衣業務經驗。

呂志雄先生,現年四十六歲,集團首席財務總監。 彼持有香港科技大學工商管理碩士學位及香港中 文大學財務碩士學位。彼為特許公認會計師公會 資深會員,亦為香港會計師公會及加拿大公認會計師 公會會員。彼於二零零二年加入本集團,擁有超過 二十五年財務及會計方面之經驗。

顏麗真博士,現年四十五歲,集團人力資源總監 及劉黃顧問有限公司之首席顧問。彼持有香港 理工大學工商管理博士學位及香港中文大學工商管 理學士學位。顏博士亦為法國巴黎高等商學院之畢 業生。彼乃美國註冊會計師、特許公認會計師公會 及香港會計師公會資深會員和加拿大公認會計師公 會會員。顏博士亦是香港特許秘書公會和英國特許 秘書及行政人員公會之會員。彼於二零零六年加入 本集團,擁有二十年豐富的銀行業務經驗。

企業管治報告書

The board of directors (the "Board") of the Company is committed to the highest standard of corporate governance within a sensible and practical framework in the firm belief that the principles of transparency, accountability and independence are essential for upholding the interests of all stakeholders and maximizing shareholder value.

The Board has long been committed to excellence in corporate governance and has reviewed and upgraded the Company's Code on Corporate Governance on a regular basis even before The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") introduced the Code on Corporate Governance Practices (the "CG Code") of the Rules Governing the Listing of Securities (the "Listing Rules"). The CG Code came into effect during the accounting period from January 1, 2005 and has two levels of compliance. The Code provisions are mandatory for listed companies while Recommended Best Practices are for guidance. Any deviations from the Code provisions are to be explained. The Board updated the Company's Code on Corporate Governance in June 2006 to bring it into closer alignment with the CG Code. The following items highlight where the Company's corporate governance practice surpasses, attains or deviates from the CG Code:

本公司董事會(「董事會」)致力在合理可行的架構中保持最高水平的企業管治的承諾,董事會堅信,透明,問責和獨立等原則對於保障全體利益相關者的利益及提升股東的價值至為重要。

董事會一直致力提高企業管治水平,早在香港聯合交易所有限公司(「香港聯交所」)引入證券上市規則(「上市規則」)之《企業管治常規守則》(「企業管治常規守則」)之前,董事會已定期檢討並提升本零行為常規守則。企業管治常規守則於二零零個層次。上市公司必須遵守守則條文,建議最佳常規只屬指引。任何偏離守則條文之舉則需要解釋。董事會於二零零六年六月更新本公司之企業管治常規守則之規定。公司之企業管治常規時則之類定。公司之企業管治常規時則之重點:

COMPLIANCE

Surpass

- The Board includes four Independent Non-executive Directors, surpassing the CG Code Provisions minimum of three.
- Independent Non-executive Directors comprise the majority of the Board, exceeding the CG Recommended Best Practices minimum of one-third.
- The Audit Committee is comprised exclusively of Independent Non-executive Directors, exceeding CG Code Recommended Best Practices.
- The Company has a Risk Management Committee that reviews all material controls and risk management functions and reports to the Board twice a year, surpassing CG Code Provisions.

遵例情况

優於

- 董事會有四名獨立非執行董事,超過企業 管治常規守則條文要求的最少要有三名獨 立非執行董事之規定。
- 董事會由大多數獨立非執行董事組成, 超過企業管治常規守則之建議最佳常規所 要求的董事會成員中最少有三分一為獨立 非執行董事之規定。
- 審核委員會之成員全部為獨立非執行 董事,超過企業管治常規守則之建議最佳 常規的規定。
- 本公司設有風險管理委員會,檢討所有 重大監察及風險管理,該委員會每年向董 事會匯報兩次,更勝企業管治常規守則之 守則條文的規定。

企業管治報告書

Attain

- The Company maintains appropriate director's and officer's liability insurance in line with CG Code Recommended Best Practices.
- Any Independent Non-executive Director who serves more than nine years will be subject to a separate resolution on further appointment to be approved by shareholders in line with CG Code Recommended Best Practices.
- The Company adopts the CG Code guidelines on the review of internal control system.
- The Company meets all CG Code Provisions except the deviations below.

Deviate

- The Company deviates from CG Code Provisions by having the roles of Chairman and Chief Executive performed by the same person. The advantages of doing so and the balancing measures that the Company has adopted to protect shareholder interests are discussed in detail under the section Chairman and Chief Executive of this report.
- The Chairman and the Managing Director are not subject to retirement by rotation according to the Bye-Laws of the Company (the "Bye-Laws").

符合

- 本公司為董事及高級管理人員購買合適之 責任保險,此舉符合企業管治常規守則之 建議最佳常規的規定。
- 凡服務董事會超過九年之獨立非執行董事,須獲股東以獨立決議案批准方可連任,此舉符合企業管治常規守則之建議最佳常規的規定。
- 本公司採納了企業管治常規守則中有關 檢討內部監控制度的指引。
- 除以下所載之偏離情況外,本公司符合 所有企業管治常規守則之守則條文。

偏離

- 本公司之主席及行政總裁之角色同時由 一人出任,偏離了企業管治常規守則之守 則條文。此舉之優點及本公司為保障股東 利益而採取的制衡機制在本報告「主席及行 政總裁 | 一節中有詳細論述。
- 根據本公司之公司細則(「細則」),主席及 董事總經理毋須輪值告退。

BOARD

The Board is charged with providing effective and responsible leadership for the Company. It sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the standard of corporate governance of the Company. It also decides on matters related to annual and interim results, major transactions, director appointments or re-appointments, and dividend and accounting policies. The Directors, individually and collectively, are committed to act in good faith in the best interests of the Company and its shareholders.

董事會

企業管治報告書

As at the date of this report, the Board is comprised of four Independent Non-executive Directors and three Executive Directors and advised by an Independent Board Advisor. The Independent Non-executive Directors bring a diverse range of experience and expertise to give effective guidance and a fresh, outside perspective to all major decisions facing the Group. To assist them in discharging their duties, the Directors have free and direct access to both the Company's external and internal auditors and procedures are in place to allow Directors to obtain independent professional advice at the Company's expense. The Company has also arranged appropriate directors' and officers' liability insurance in line with CG Code Recommended Best Practices.

於本報告日期,董事會由四名獨立非執行董事及三名執行董事組成,並由一名獨立董事會顧問向彼等提出意見。獨立非執行董事均帶來多方面的經驗和專業知識,為本集團提供有效指引,並以局外人的角度為本集團面對的所有重要決策帶出新穎觀點。為幫助董事履行職責,董事可隨時與本公司亦則大轉核數師及內部審計師直接接觸,本公司亦已制董事及高級管理人員購買自之責任保險,此舉符合企業管治常規守則之建議最佳常規的規定。

Given the overall composition of the Board and the skills, knowledge and expertise that each Director brings individually, the Group is of the belief that the Board is appropriately structured to provide sufficient checks and balances to protect the interests of the Company and its shareholders. The Board will review its composition regularly to ensure that it has the proper balance and diversity of expertise, skills and experience to continue to effectively guide and oversee the business of the Company. Biographical details of the Directors of the Company are set out on pages 24 to 27 of this annual report.

基於董事會的整體組合及每位董事之獨特技能、 學識和專業知識,本集團相信董事會架構已能恰當 地提供足夠之監察及平衡,以保障本公司和股東 的利益。董事會將定期檢討其組合,確保其於專 業知識、技能及經驗方面維持適當的平衡及多元 化,以繼續有效地指導及監管本公司之業務。本公 司董事之個人資料詳情載於本年報第二十四頁至第 二十七頁。

As an important part of good corporate governance, the Board has established two Board Committees, namely the Audit Committee and the Compensation Committee. In addition, a Management Committee and a Risk Management Committee have been set up to support the Board and the Board Committees. The composition of the Board, the Audit Committee and the Compensation Committee is given below. The Management Committee and Risk Management Committee are discussed in the relevant sections in this report.

作為良好企業管治的重要一環,董事會已設立兩個董事委員會,即審核委員會及補償委員會。此外,本公司更成立管理委員會及風險管理委員會,為董事會及董事委員會提供支援。董事會、審核委員會及補償委員會之組成如下,而管理委員會及風險管理委員會於本報告的相關部份有進一步之描述。

		Audit	Compensation
		Committee	Committee
Members of the Board	董事會成員	審核委員會	補償委員會
Independent Non-executive Directors	獨立非執行董事		
Mr. AU Man Chu, Milton	歐文柱先生	✓	
Mr. Barry John BUTTIFANT	畢滌凡先生	✓	✓
Mr. KWONG Ki Chi	鄺其志先生	✓	
Dr. LEE Peng Fei, Allen	李鵬飛博士	✓	✓
Executive Directors	執行董事		
Dr. LAU Kwok Kuen, Peter	劉國權博士		✓
(Chairman and Chief Executive)	(主席及行政總裁	•)	
Mr. FUNG Wing Cheong, Charles	馮永昌先生		
Mr. MAH Chuck On, Bernard	馬灼安先生		
Independent Board Advisor	獨立董事會顧問		
Professor LEUNG Kwok	梁覺教授		✓

企業管治報告書

The Board members have no financial, business, family or other material or relevant relationships with each other except Mr. Buttifant, Mr. Kwong and Dr. Lau have a number of common directorships.

Mr. Buttifant and Dr. Lau both serve on the board of Hsin Chong Construction Company Ltd. ("Hsin Chong") as executive director and independent non-executive director respectively. Mr. Kwong who also sat on the board of Hsin Chong as a non-executive director retired from Hsin Chong on August 17, 2007.

Separately, Mr. Buttifant served as an alternate director to Mrs. Fung Yeh Yi Hao, Yvette, deputy chairman of Synergis Holdings Limited ("Synergis") while Mr. Kwong served as a non-executive director of Synergis. Mr. Kwong retired from the board of Synergis on September 7, 2007 and Mr. Buttifant resigned as alternate director of Synergis effective January 1, 2008.

It is the Board's opinion that these relationships do not affect the Directors' independent judgment and integrity in executing their roles and responsibilities.

None of the Independent Non-executive Directors owned any shares of the Company up to the date of this report.

Pursuant to the requirements of the Listing Rules, each of the Independent Non-executive Directors has confirmed with the Company in writing his independence from the Company in accordance with the relevant guidelines. The Company therefore considers all of the Independent Non-executive Directors to be independent.

The Board holds four regular meetings a year and additional meetings as and when required. Regular Board meetings are scheduled in advance to facilitate the fullest possible attendance. The Company Secretary assists the Chairman in setting the agenda of the Board meetings and each Director is invited to present any businesses that he wishes to discuss or propose at such meetings. Board papers are circulated to all Directors, the Independent Board Advisor and other attendees not less than three days before the Board meetings to ensure timely access to relevant information. Draft and final versions of the minutes are circulated to all Directors for comments. Any Director who is unable to physically attend any Board meeting may participate electronically by conference call or via alternate arrangements in accordance with the Bye-Laws. Pursuant to the Bye-Laws, Board approval may also be obtained by way of circulation of a resolution in writing on urgent matters when convening a Board meeting is not practicable. Sufficient information and explanatory materials will be provided to the Directors at the same time when a resolution in writing is circulated.

各董事會成員之間並沒有財務、業務、親屬或其 他重大或相關之關係,惟畢滌凡先生、鄺先生及 劉博士同時在若干公司出任董事職位。

畢滌凡先生及劉博士在新昌營造集團有限公司 (「新昌營造」)董事會中分別擔任執行董事及獨立 非執行董事。鄺先生亦曾在新昌營造董事會中擔任 非執行董事,惟已於二零零七年八月十七日辭任。

另一方面,畢滌凡先生擔任新昌管理集團有限公司(「新昌管理」)之副主席馮葉儀皓女士的替代董事,鄺先生則擔任新昌管理之非執行董事。鄺先生於二零零七年九月七日辭去於新昌管理董事會之職務,畢滌凡先生於二零零八年一月一日辭任新昌管理之替代董事。

董事會認為,上述關係並不影響該等董事於執行職 務時之獨立判斷及個人誠信。

直至本報告日期為止,概無獨立非執行董事擁有 本公司之股份。

根據上市規則之規定,各獨立非執行董事已根據相關指引向本公司書面確認其獨立性。因此,本公司認為各獨立非執行董事確屬獨立人士。

企業管治報告書

During the year ended December 31, 2007, four full Board meetings were held during which the Board reviewed the quarterly performance results and discussed the Group's strategy going forward, as well as other business. In addition, three sets of resolutions in writing were passed.

董事會於截至二零零七年十二月三十一日止之年度,舉行了四次全體董事會會議,董事會於會上檢討季度業績表現,商討本集團之未來發展策略以及其他事務。此外,會上亦通過了三套書面決議案。

Attendances of Directors of the full Board meetings in 2007 are as follows:

董事於二零零七年的全體董事會會議之出席記錄 如下:

Meetings attended/hel			
董事會會議	出席次數/會議舉行次數		
獨立非執行董事			
歐文柱先生	4/4		
畢滌凡先生	4/4		
鄺其志先生	3/4		
李鵬飛博士	3/4		
執行董事			
劉國權博士	4/4		
(主席及行政總裁)			
馮永昌先生	4/4		
馬灼安先生	4/4		
獨立董事會顧問			
梁覺教授	4/4		
	獨立非執行董事 歐文柱先生 舉滌凡先生 舉滌人先生 鄭其志先生 李鵬飛博士 執行董事 劉國權博士 (主席及行政總裁) 馮永昌先生 馬灼安先生 獨立董事會顧問		

In order to facilitate free and open discussion of issues, Independent Non-executive Directors also meet without the presence of Executive Directors from time to time. In addition, the Independent Non-executive Directors also met with the Chairman without the presence of the other Executive Directors in 2007.

為了促進坦誠及公開討論事務之氣氛,獨立非執行董事會不時在沒有執行董事出席下會面討論。 此外,於二零零七年,獨立非執行董事在沒有其他 執行董事出席下亦曾與主席進行會面商討。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Instead of establishing a nomination committee in line with CG Code Recommended Best Practices which would only have limited representation, the Company intentionally involves the full Board in the appointment of new Directors. The Board takes into account criteria such as expertise, experience, integrity and commitment in its deliberations.

董事之委任及重撰

本公司特意安排董事會全體成員參議新董事的委任,因此並沒有根據企業管治常規守則之建議最佳常規成立代表性有限的提名委員會。董事會考慮擬委任董事之專業知識、經驗、誠信及承擔等各方面的因素。

企業管治報告書

In accordance with the Bye-Laws, any new Director (other than the Chairman or the Managing Director) appointed by the Board is subject to retirement and re-election by shareholders at the next general meeting of the Company (in the case of filling a casual vacancy) or at the next annual general meeting of the Company (in the case of an addition to their number) following his appointment. At each annual general meeting, one-third (or the number nearest to but not exceeding one-third) of the Directors (other than the Chairman or the Managing Director) will retire from office by rotation and every Director (other than the Chairman or the Managing Director) is subject to retirement by rotation at least once every three years.

根據細則,任何由董事會委任之新董事(主席或董事總經理除外)須於其獲委任後本公司舉行之下一次股東大會上(如屬填補臨時空缺)或本公司下一次股東週年大會上(如屬增加董事人數)由股東重選。於每屆之股東週年大會上,三分一(或最接近但不超過三分一)之董事(主席或董事總經理除外)須輪值告退,惟每位董事(主席或董事總經理除外)須最少每三年輪值告退一次。

Currently, all Independent Non-executive Directors are appointed for a specific term of three years and subject to retirement by rotation and re-election pursuant to the Bye-Laws. To further strengthen the standard of corporate governance, the Company follows CG Code Recommended Best Practices and requires any re-appointment of an Independent Non-executive Director who has served on the Board for over nine years to be subject to a separate resolution to be approved by shareholders. The Board will set out in the annual report the reasons it considers such Director to continue to be independent and should be re-elected.

現時,所有獨立非執行董事的指定任期為三年,彼等須根據細則輪值告退及重選。為進一步提高企業管治水平,本公司依照企業管治常規守則之建議最佳守則,要求凡服務董事會超過九年之獨立非執行董事,須獲得股東以獨立決議案方式批准方可連任。董事會會在本年報中向股東列明其認為該董事仍屬獨立人士以及應獲重選之原因。

None of the Directors of the Company is aware of information that would reasonably indicate that the Company is not in compliance with the CG Code, except that (i) the roles of the Chairman and Chief Executive are vested in the same person (Code Provision A.2.1); and (ii) the Chairman and the Managing Director are not subject to retirement by rotation (Code Provision A.4.2).

本公司董事概不知悉有任何資料可合理地指出本公司並無遵守企業管治常規守則,惟(i) 主席及行政總裁之角色同時由一人出任(守則條文A.2.1);及(ii) 主席及董事總經理毋須輪值告退(守則條文A.4.2)。

CHAIRMAN AND CHIEF EXECUTIVE

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 and consistent leadership, allows 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. The main elements of this structure include:

主席及行政總裁

劉國權博士目前同時出任主席及行政總裁之職位。 鑒於劉博士的豐富業內經驗以及對本集團業務的 深厚認識,董事會認為由劉博士兼任主席及行政總 裁之職位能為本集團提供強勢及貫徹之領導,並能 更有效地策劃及推行長期商業策略以及提高決策的 效率。董事會亦相信本公司已擁有配合公司實際情 況的堅實企業管治架構,確保能有效地監管本公司 之管理層。該架構的主要內容包括:

- Having Independent Non-executive Directors comprise a majority of the Board;
- Having the Audit Committee composed exclusively of Independent Non-executive Directors;
- 審核委員會之全部成員為獨立非執行董事;

董事會之大部分成員為獨立非執行董事;

企業管治報告書

- Having Independent Non-executive Directors and the Independent Board Advisor comprise a majority of the Compensation Committee;
- Ensuring that Independent Non-executive Directors have free and direct access to both the Company's external and internal auditors and independent professional advice where necessary;
- Having a "whistle-blowing" mechanism in place to allow the Group's staff members to anonymously and confidentially report any suspected acts of fraud or gross misconduct by senior management, including that of the Chairman and Chief Executive, to the Head of Internal Audit, the details of which are discussed under the section "Internal Control".

The Board believes that these measures enable our Independent Non-executive Directors to continue to rigorously supervise the Group's Management and to provide effective control of key issues relating to strategy, risk and integrity. The Board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes are necessary.

AUDIT COMMITTEE

The Audit Committee comprises all four Independent Non-executive Directors and is chaired by Mr. Buttifant, a qualified accountant with extensive experience in financial reporting and controls. The committee is responsible for the appointment of external auditors, review of the Group's financial information and oversight of the Group's financial reporting system and internal control procedures. It is also responsible for reviewing the interim and final results of the Group prior to recommending them to the Board for approval. To this end, the Audit Committee has unrestricted access to both the Company's external and internal auditors. Its terms of reference are available on request and also accessible on the Company's website at http://www.giordano.com.hk/web/HK/investors/2005AC.pdf.

The Audit Committee reviews financial reporting and internal control matters in the Audit Committee meeting which is held at least twice a year. The Group Chief Financial Officer, the Chairman of the Risk Management Committee, the Head of Internal Audit, the Company Secretary and representatives of the External Auditor of the Company are expected to attend meetings of the Committee. At the discretion of the Committee, other members of Management may also be invited to attend its meetings. In 2007, the Audit Committee held three meetings and the attendance record, on a named basis, is set out below:

- 補償委員會之大部分成員為獨立非執行董事 和獨立董事會顧問;
- 確保獨立非執行董事可隨時與本公司之外聘 核數師及內部審計師接觸,並在有需要時尋 求獨立專業意見;
- 設立「密函檢舉」機制,允許本集團員工以 匿名和機密形式向內部審計部主管舉報高級 管理人員包括主席及行政總裁的欺詐及不當 的行為,詳情載於「內部監控」一節。

董事會相信,上述機制及安排能確保獨立非執行 董事繼續有效地督導本集團之管理層和監管有關 策略、風險和誠信的重要決策。董事會將不斷檢討 本集團企業管治架構之成效,用以評估是否需要作 任何修改。

審核委員會

審核委員會由四名獨立非執行董事組成,並由 畢滌凡先生出任主席,彼為一位在處理財務匯報及 監控方面具資深經驗的合資格會計師。審核委員 會負責委任外聘核數師、審閱本集團之財務資料、 監察本集團之財務匯報系統和內部監控程序等事 宜。該委員會在評核本集團中期及全年業績後,才 向董事會作出建議是否批准有關業績。審核委員會 可不受限制地與本公司之外聘核數師及內部審計師 接觸。審核委員會的職權範圍可供索取及已載於 本公司之網站 http://www.giordano.com.hk/web/ HK/investors/2005AC.pdf。

審核委員會每年最少舉行兩次會議,會上審閱財務 匯報及內部監控事宜。集團首席財務總監、風險管 理委員會主席、內部審核總管、公司秘書及本公司 外聘核數師之代表應出席審核委員會之會議。委員 會亦可酌情邀請其他管理層成員出席會議。於二零 零七年,審核委員會共舉行了三次會議,按成員姓 名分列之會議出席記錄載列如下:

企業管治報告書

Meetings attended/held

Audit Committee Meeting	審核委員會會議	出席次數/會議舉行次數	
Independent Non-executive Directors	獨立非執行董事		
Mr. AU Man Chu, Milton	歐文柱先生	3/3	
Mr. Barry John BUTTIFANT	畢滌凡先生	3/3	
Mr. KWONG Ki Chi	鄺其志先生	3/3	
Dr. LEE Peng Fei, Allen	李鵬飛博士	3/3	

During the meetings, the Audit Committee reviewed the audit strategy summary and the final results for the year ended December 31, 2006 and the interim accounts for the six months ended June 30, 2007 with external auditors; as well as the activities of the Group's Internal Audit Department and its internal audit report, findings and recommendations on the Group's business operations.

審核委員會於會上與外聘核數師審閱審核策略 摘要、截至二零零六年十二月三十一日止全年業績 和截至二零零七年六月三十日止六個月中期賬目; 及檢討本集團內部審計部門的工作,與其有關集團 業務運作的內部審計報告、調查結果及建議。

COMPENSATION COMMITTEE

The Company has established a Compensation Committee to deal with matters of remuneration. It is composed of two Independent Non-executive Directors, the Independent Board Advisor and the Chairman. It is responsible for reviewing and determining the remuneration, compensation and benefits of Directors and senior management. The committee members elect one member to act as chair at the commencement of each meeting. When the remuneration package of an individual Director is under review, the Director in question is required to abstain from voting to avoid any conflict of interest. The terms of reference of the Compensation Committee are available on request and also accessible on the Company's website at http://www.giordano.com.hk/web/HK/investors/2005CC.pdf.

補償委員會

本公司已成立補償委員會以處理薪酬事宜。補償委員會由二名獨立非執行董事、獨立董事會顧問及主席組成,負責檢討及批准董事及高級管理人員之酬金、補償及福利。於每次會議開始時,委員會成員會選出一名成員為會議主席。當審閱個別董事之薪酬福利時,相關董事為免涉及任何利益衝突須放棄投票權。補償委員會的職權範圍可供索取及已載於本公司之網站 http://www.giordano.com.hk/web/HK/investors/2005CC.pdf。

		Meeting attended/held
Compensation Committee Meeting	補償委員會會議	出席次數/會議舉行次數
Independent Non-executive Directors	獨立非執行董事	
Mr. Barry John BUTTIFANT	畢滌凡先生	1/1
Dr. LEE Peng Fei, Allen	李鵬飛博士	1/1
Executive Director	執行董事	
Dr. LAU Kwok Kuen, Peter	劉國權博士	0/1
(Chairman and Chief Executive)	(主席及行政總裁)	
Independent Board Advisor	獨立董事會顧問	
Professor LEUNG Kwok	梁覺教授	1/1

企業管治報告書

In 2007, the Committee held a meeting to review the remuneration and bonus of the Chairman and Chief Executive, as well as the director's fee of an Independent Non-executive Director. The attendance record, on a named basis, is set out above. One set of resolution in writing was passed approving the renewal of the service contract of the Chairman and Chief Executive. The Chairman and Chief Executive absented himself from attending the Compensation Committee meeting and abstained from voting on the renewal of his service contract to avoid any conflict of interest.

於二零零七年,補償委員會舉行了一次會議,檢討主席及行政總裁之酬金及花紅以及一名獨立非執行董事之董事袍金。按成員姓名分列之會議出席記錄載於上文。會上通過了一套書面決議案,批准重續主席及行政總裁之服務合約。主席及行政總裁並無出席是次補償委員會會議,並放棄就其服務合約之重續投票,以免涉及任何利益衝突。

REMUNERATION POLICY

The Company understands that a reasonable and comprehensive remuneration package is an important factor in attracting, retaining and motivating high quality personnel. As such, it is the Company's policy to ensure that remuneration is competitive and aligns with the Company's goals, objectives and performance. The Company takes into consideration a number of relevant factors including salaries paid by comparable companies, job responsibilities, duties and scope, employment conditions elsewhere in the Company and its subsidiaries, market practices and the Company's financial and non-financial performance in determining its remuneration policy.

As discussed in the previous section, the Compensation Committee reviews and determines the remuneration of the Directors. To ensure that Non-executive Directors are appropriately paid for their time and responsibilities to the Company, the Committee considers factors such as fees paid by comparable companies, time commitment, the responsibilities and likely workload of the Non-executive Directors, and employment conditions elsewhere in the Company.

The Company's remuneration structure for its employees, including the Chairman and Chief Executive and the Executive Directors, is composed of fixed compensation, cash performance bonuses, variable cash incentives, long-term incentives, and retirement schemes as discussed below.

薪酬政策

本公司明白,合理而全面的薪酬組合是吸引、留用以及激勵高質素人才的重要因素。因此,本公司之政策是確保薪酬具競爭力,並且符合本公司之目標、宗旨和表現。本公司於釐定薪酬政策時考慮多項相關因素,包括可比較公司所支付之薪金,員工在本公司及其附屬公司之職責、職務與職權範圍和聘用條件,市場慣例,以及本公司的財務和非財務表現。

如上一節所討論,補償委員會檢討並且訂出董事之 薪酬。為確保非執行董事可以就彼等之職責以及為 本公司付出的時間獲得合理的薪酬,委員會會考慮 多方面因素,包括可比較公司所支付的袍金,非 執行董事所付出的時間、肩負的職責、預計的工 作量,以及於本公司的聘用條件。

本公司為包括主席及行政總裁以及執行董事在內之 僱員訂出的薪酬組合,包括固定薪酬、現金績效 花紅、浮動獎金、長期獎勵金以及退休計劃,詳情 載於下文。

企業管治報告書

Fixed compensation includes an employee's base salary, allowances and benefits (e.g. medical). Base salary and allowances are set and reviewed annually for each position taking into consideration the Company's remuneration policy, the Company's and the individual's performance as well as market conditions and practices. Benefits are reviewed regularly and determined largely on the basis of local standards and practices.

固定薪酬包括僱員的基本薪金、津貼及福利(例如 醫療福利)。不同職位的基本薪金和津貼是考慮到 本公司之薪酬政策、本公司和僱員的個人表現,以 及市況及市場慣例後訂出的,並會每年檢討。福利 會定期檢討,主要是按照當地標準及慣例而釐定。

Employees are also eligible to receive an annual cash bonus based on business unit and individual performance. The bonuses awarded to the Chairman and Chief Executive, the Executive Directors and members of senior management are reviewed annually by the Compensation Committee. In 2007, the cash performance bonus component accounted for 58.4 percent of the total remuneration of the Chairman and Chief Executive and the Executive Directors. Please refer to note 9(a) to the financial statements for details. In addition, the Company operates sales and business-related incentive schemes to motivate certain staff such as front-line sales associates to achieve specific sales or business targets of the Company.

僱員會因其所隸屬的業務單位及其個人的表現而 獲得年度現金花紅。向主席及行政總裁、執行董事 以及高級管理層成員發放的花紅,由補償委員會每 年檢討。於二零零七年,現金績效花紅佔主席及行 政總裁以及執行董事之總薪酬的百分之五十八點 四。詳情請參閱財務報表附註9(a)。此外,本公司 設有銷售及業務相關獎勵計劃,藉此激勵前線銷售 人員等某些工種的員工,以達致本公司訂出的銷售 或業務目標。

The Company also operates a share option scheme to provide longterm incentives to reward and retain a high calibre management team. During the year, the Company granted 8,198,000 options to selected members of management under the scheme. The details of the scheme, together with information on options exercised and outstanding in respect of the Executive Directors as at December 31, 2007 under the scheme are set out in the section of Share Option Information of this annual report.

本公司亦設有購股權計劃以提供長期的獎勵,從而 酬謝和留住精鋭的管理團隊。年內,本公司根據 該計劃,向選定的管理層成員授出八百一十九萬 八千份購股權。計劃詳情以及於二零零七年十二月 三十一日執行 董事已行使及未行使之購股權的資 料,載於本年報「購股權資料」一節中。

Pursuant to the Mandatory Provident Fund Schemes Ordinance, the Company participates in an MPF scheme which has been registered with the Mandatory Provident Fund Schemes Authority.

本公司根據強制性公積金計劃條例參與一項強積金 計劃,該計劃已經與強制性公積金計劃管理局登記。

企業管治報告書

The total remuneration of the members of the Board (excluding share-based payments) is shown below.

以下為董事會成員之總薪酬(不包括以股份支付的 開支)。

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Fees	袍金	1	1
Salaries, allowances and other benefits	薪酬、津貼及其他福利	8	8
Variable remuneration related to performance	浮動的績效薪酬	12	10
Retirement scheme contributions	退休計劃供款	_	_
		21	19

The total remuneration (excluding share-based payments) of Non-executive, Executive Directors and the five highest paid employees (three of whom were Executive Directors) fell within the following bands:

非執行董事、執行董事及五位最高薪職員(其中三人 為執行董事)之總薪酬(不包括以股份支付的開支) 按酬金組別歸類如下:

		2007	2006
		Number	Number
Remuneration	薪酬	人數	人數
HK\$0 - HK\$1,000,000	港幣0元 - 港幣1,000,000元	4	4
HK\$1,000,001 - HK\$2,000,000	港幣1,000,001元 - 港幣2,000,000元	_	2
HK\$2,000,001 - HK\$3,000,000	港幣2,000,001元 - 港幣3,000,000元	3	2
HK\$3,000,001 - HK\$4,000,000	港幣3,000,001元 - 港幣4,000,000元	1	_
HK\$13,000,001 - HK\$14,500,000	港幣13,000,001元 - 港幣14,500,000元	1	1
		9	9

The Independent Non-executive Directors' emoluments all fell within the first remuneration band. Please refer to note 9(a) to the financial statements for details.

獨立非執行董事之薪酬全數屬於第一薪酬組別, 詳情請參閱財務報表附註9(a)。

MANAGEMENT COMMITTEE

The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to a Management Committee. The Management Committee is fully accountable to the Board and comprises the three Executive Directors who currently serve on the Board and a director of the Group's Middle East and India operations.

管理委員會

董事會已授權管理委員會負責推行其商業策略及 管理本集團之日常商業運作。管理委員會對董事會 負全責,由本公司三名現任董事會之執行董事及一 名負責本集團中東及印度業務之董事組成。

企業管治報告書

INTERNAL CONTROL

One of the Board's main areas of responsibility is the Company's system of internal controls. To this end, policies and procedures have been put in place to safeguard assets against unauthorized use or disposition; to maintain proper accounting records and enhance the reliability of financial reporting and to ensure compliance with applicable laws and regulations. Such policies and procedures are designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage and minimize rather than eliminate the risk of failure in the Group's operational systems. The Group's internal control system includes following major components:

- An organizational and governance structure with defined responsibility and delegated authority;
- Operational budgets review prior to being adopted;
- Stringent policies and procedures for the appraisal, review and approval of major capital and recurrent expenditures;
- Regular report of operations results against budgets to the Board;
- A "whistle-blowing" mechanism to allow the Group's staff to anonymously report any suspected acts of fraud or gross misconduct by senior management, including that of the Chairman and Chief Executive, to the Head of Internal Audit who will refer the report to the Company's Independent Nonexecutive Directors for further action; and
- Strict internal procedures and controls for the handling and dissemination of price sensitive information.

The Board has delegated the authority and responsibility for the Group's internal control system and the reviewing of its effectiveness to a Risk Management Committee. The Risk Management Committee is composed of five members including one Executive Director, Mr. Mah, together with the Group Chief Financial Officer, the Head of Internal Audit and two senior management representatives. It reviews all material controls, including financial, operational and compliance controls and risk management functions in accordance with the code provisions on internal control of the Company's Code on Corporate Governance and reports to the Board twice a year. The Risk Management Committee is fully accountable to the Board.

內部監控

本公司之內部監控制度屬董事會的主要職責之一。因此,本公司已實行政策和制訂程序,以確保資產不會於未獲授權下使用或轉讓、準確的會計紀錄得以備全以及提高財務報告之可靠性,以及確保遵守適用之法律法規。上述政策和程序旨在合理地(惟並非絕對地)保證並無重大失實陳述或損失;管理及減低(而並非完全消除)本集團營運系統的失誤風險。本集團之內部監控制度由以下主要部份組成:

- 具界定責任及授權的組織及管治架構;
- 經檢閱後採納之營運預算;
- 就評核、檢討及審批重大資本及經常性開支 之嚴謹政策及程序;
- 定期向董事會匯報營運業績是否與預算相符;
- 設立「密函檢舉」機制,允許本集團員工以 匿名形式向內部審計部主管舉報高級管理 人員,包括主席及行政總裁的欺詐及不當行 為;內部審計部主管會將該等密函轉交本公 司之獨立非執行董事作進一步行動;及
- 就處理及發布股價敏感資料採取嚴謹的內部 程序和監控措施。

董事會已授權風險管理委員會負責本集團之內部 監控制度及檢討其效能。風險管理委員會有五位 成員,包括一位執行董事馬先生、集團財務總監、 內部審計部主管以及兩名高級管理層代表。根據本 公司之企業管治守則中有關內部監控的守則條文, 該委員會檢討所有重要的監控,包括財務、營運和 法規,以及風險管理功能,並每年向董事會匯報 兩次。風險管理委員會對董事會負全責。

企業管治報告書

Co-operating closely with the Risk Management Committee, the Internal Audit Department plays a major role in monitoring the internal controls of the Group. It provides specific guidance and communications on risk and internal control matters. Adopting a risk-based approach, the Internal Audit Department implements the audit plan approved by the Audit Committee and Management. Regular reports are made directly to the Audit Committee and Management. The Audit Committee has free and direct access to the Head of Internal Audit without reference to the Chairman or Management.

透過與風險管理委員會緊密合作,內部審計部於監管本集團的內部監控事宜上扮演著重要角色。該部門就風險以及內部監控事宜提供具體指引並向其他部門傳遞相關訊息。內部審計部採取以風險為本的方法,履行審核委員會及管理層已批准的審計計劃,並且定期向審核委員會及管理層直接匯報。審核委員會可直接及自由地接觸內部審計部主管,而毋須知會主席或管理層。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a Code of Conduct for Securities Transactions by Directors on terms required by Appendix 10 of the Listing Rules. All directors confirmed that they complied with the aforesaid code throughout the year.

The Company has also adopted a Code of Conduct for Securities Transactions by Specified Employees to govern securities transactions of those employees who may possess or have access to price sensitive information. The said code covers areas such as prohibitions and conduct in the dealing of Company's securities, avoidance of conflict of interests and confidentiality of Company's information, etc. These employees have complied with the aforesaid code throughout the year.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of financial statements for each financial period to ensure that they give a true and fair view of the state of affairs of the Group, its operational results and cash flow for that period. The Company's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently, and that where judgment has been applied and estimates made, they are prudent and reasonable.

The statement by the principal auditor of the Company, PricewaterhouseCoopers, regarding their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 53 to 54.

證券交易的標準守則

本公司已採納了一套依照上市規則附錄十規定之《董事進行證券交易的標準守則》。全體董事均確認 於本年度內已遵守上述標準守則。

本公司亦已採納了一套《相關員工進行證券交易的標準守則》,以監管該些擁有及得悉影響股價敏感資料的員工之證券交易。上述標準守則涵蓋之範疇包括禁止和進行本公司證券之買賣、避免利益衝突,以及本公司資料之保密等。有關僱員於年內已一直遵守上述守則。

董 事 及 核 數 師 就 財 務 報 表 所 承 擔 之 責 任

董事負責監督每個財政期間財務報表的編製,以確保該報表能夠真實和公平地反映該期間本集團之財政狀況、營運業績與現金流量。本公司財務報表之編製均符合所有有關之法定要求及適用的會計準則。董事有責任確保選擇及連貫地應用合適之會計政策,並作出審慎和合理的判決及估計。

本公司核數師羅兵咸永道會計師事務所就本集團 財務報表作出之申報責任聲明載於第五十三頁至第 五十四頁之獨立核數師報告書內。

企業管治報告書

AUDITOR'S REMUNERATION

The remuneration charged by the Group's principal auditor PricewaterhouseCoopers and its affiliated firms for non-audit and statutory audit services is set out below:

核數師之酬金

本集團之主要核數師羅兵咸永道會計師事務所和其 關連機構就其非審核及法定審核服務收取之費用 如下:

(In HK\$ millions) (以港幣百萬元為單位)	2007	2006
Non-audit services 非審核服務	1	1
Statutory audit 法定審核	3	2
Total 總數	4	3

INVESTOR AND SHAREHOLDER RELATIONS

The Company firmly believes that clear and effective communication of the Group's business strategies and developments helps to enhance shareholder value. As such, the Group's senior management maintains a constant and open dialogue with the investment community through company visits, information sessions and participation in major investor conferences. In all, senior management held over 130 meetings with institutional investors and research analysts in 2007.

The Company has a wide and diverse shareholder base of institutional and retail investors. To ensure all shareholders have equal and timely access to important company information, the Company makes extensive use of its corporate website to deliver up-to-date information such as results announcements and press releases. In the interest of striking a balance between keeping shareholders abreast of the Company's performance on one hand and avoiding an unhealthy focus on short term results on the other, the Company decided against following the CG Code Recommended Best Practice of publishing quarterly financial results. Instead, the Company publishes operations updates for the first three and nine month periods on its corporate website. Annual and interim reports, together with other stock exchange filings, are also accessible on the corporate website.

與投資者及股東之關係

本公司堅信,清楚有效的向外界傳達本集團之業務 策略和發展,有助提升股東價值。因此,本集團之 高級管理層透過公司專訪、會議交流及參與大型 投資者研討會,與投資界保持定期和公開的對話。 總括而言,高級管理層於二零零七年與機構投資者 及研究分析員舉行了超過一百三十次會議。

本公司的股東基礎廣泛而多元化,由機構和散戶 投資者組成。為確保全體股東均可公平及適時地取 得重要公司資訊,本公司善用公司網站來發布最新 消息,譬如業績公布和新聞稿。為了讓股東掌握本 公司表現之餘又不會過份看重短期成績,本公司決 定不依照企業管治常規守則之建議最佳守則刊發季 度財務業績。本公司於公司網站刊登其首三個月 及九個月期間之最新業務資料。公司網站上亦載有 年報、中期報告以及其他向交易所提交的資料。

企業管治報告書

The Board welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns that they may have with the Board or Management directly. The Company's Annual General Meeting ("AGM") is an especially important forum. In order to encourage and facilitate shareholder attendance at its AGM, the Company gives at least twenty-one days prior notice together with a detailed agenda. To ensure clear communication, each substantially separate issue is proposed under a separate resolution. Details of the right of shareholders to demand a poll and procedures of poll voting at general meeting are stipulated in the Bye-Laws and included in each circular related to the convening of a general meeting. The chairman of the meeting will also explain the poll voting procedures at the commencement of the general meeting.

董事會歡迎股東對影響本集團的事項提出意見,並鼓勵他們出席股東大會,藉以直接地向董事會或管理層反映他們關注的事項。本公司之股東週年大會(「股東週年大會」)是尤其重要的平台。為了使股東出席股東週年大會,本公司最少於大會與行日期前二十一日發出通知,並附奉詳盡的會議程。為確保清楚達意,各項獨立議題是以獨立的決議案提出。股東要求按點算股數方式進行表決之程序,已在細則中詳細規定,並且會收錄於與召開股東大會有關之各份通函。大會主席亦會於股東大會開始時講解按點算股數方式進行表決之程序。

Investors and shareholders who wish to put forward proposals at shareholder's meetings or to make enquiries of the Board may do so by contacting our Investor Relations Department whose contact details are listed on page 144 of this annual report.

投資者與股東如有意在股東大會上提出建議,又或 向董事會提出查詢,可聯絡本公司之投資者關係 部門,其聯絡詳情載於本年報第一百四十四頁。

The Company held its 2007 AGM on May 9, 2007 at Block B, 3rd Floor, Tin On Industrial Building, 777-779 Cheung Sha Wan Road, Kowloon, Hong Kong. Five out of seven Directors including the Chairman attended the meeting as set out below:

本公司於二零零七年五月九日假座香港九龍長沙 灣道七七七至七七九號天安工業大廈三樓B座舉行 二零零七年股東週年大會。七名董事中有五人(包括 主席)出席會議,詳情如下:

Shareholders' Meeting (Annual General Meeting)	股東會議 (股東週年大會)	Meeting attended/held 出席次數/會議舉行次數
Independent Non-executive Directors	獨立非執行董事	
Mr. AU Man Chu, Milton	歐文柱先生	0/1
Mr. Barry John BUTTIFANT	畢滌凡先生	1/1
Mr. KWONG Ki Chi	鄺其志先生	1/1
Dr. LEE Peng Fei, Allen	李鵬飛博士	1/1
Executive Directors	執行董事	
Dr. LAU Kwok Kuen, Peter	劉國權博士	1/1
(Chairman and Chief Executive)	(主席及行政總裁)	
Mr. FUNG Wing Cheong, Charles	馮永昌先生	0/1
Mr. MAH Chuck On, Bernard	馬灼安先生	1/1

企業管治報告書

The Chairman opened formal business at the 2007 AGM by advising on the voting procedures and the level of proxies received. The following items of business were considered at the meeting:

- Adoption of the audited financial statements and the reports from the directors and the independent auditor;
- Resolutions on final and special final dividends;
- Re-election of directors and re-appointment of auditor;
- Renewal of general mandates to issue shares and to repurchase shares; and
- Extension of general mandate to issue shares.

The 2008 AGM is proposed to be held on May 14, 2008.

There has been no change in the Company's Bye-Laws during the year. If any amendment to the Bye-Laws is necessary, according to the relevant law governing the Company, the Company will propose the amendment for shareholders' approval at a general meeting of the Company.

SOCIAL RESPONSIBILITY

The Company has long been committed to being a responsible corporate citizen, with a view to creating a positive impact in the communities where we do business. Indeed, well before the Company formally adopted its Corporate Social Responsibility policy statement in January 2005, it has adhered to the principle of "doing well by doing good" in the spheres of the workplace, the community and the environment.

主席宣布二零零七年股東週年大會正式開始後, 講解了投票表決之程序以及所收到之代表委任文件 之數目。會上處理之事務如下:

- 採納經審核財務報表及董事會與獨立核數師報告書;
- 有關末期股息及特別末期股息之決議案;
- 重選董事及重新委聘核數師;
- 重續一般授權以發行股份及購回股份;及
- 擴大發行股份之一般授權。

本公司建議於二零零八年五月十四日舉行 二零零八年股東週年大會。

本公司之細則於年內並無變動。根據規管本公司之 相關法律,若需修訂細則,本公司將於本公司股東 大會上提呈修訂案以供股東批准。

社會責任

本公司一向致力成為負責任的企業公民,務求惠及 集團營運的社區。事實上,本公司於二零零五年 一月正式採納其企業社會責任政策聲明,而在此之 前,本公司早已在工作場所、社區與環境各方面 恪守[為善者諸事順]的行事原則。

企業管治報告書

The Workplace

The Company is committed to treating our employees with fairness and respect. We believe in co-operation, teamwork, and trust. We hire on the basis of ability and merit, and reward and promote on the basis of performance. Our business partners are required to share in these values and in particular we expect our suppliers and vendors to comply with our Core Ethical Sourcing Requirements as listed below:

- The supplier only employs workers that are above the local legal minimum age.
- The supplier does not use forced or prison labour in any part or aspects of its facilities.
- The workers are not subjected to physical abuse, or the threat of physical abuse.
- The supplier does not contravene local environmental laws and regulations.
- The supplier provides a safe and healthy work environment for its workers.
- The supplier is committed to rectifying any areas of concern identified during supplier audits by the Company or its appointed third party auditors.

工作場所

本公司以公平尊重的態度對待員工。我們相信, 通力合作、上下一心和互相信賴是集團根基所在。 我們評選應徵者時考慮其能力和長處,並按照員工 的個人表現決定酬報和擢升。我們的業務伙伴必須 認同上述的價值觀,其中,我們更要求供應商及銷 售商遵守我們的核心道德採購規定,詳情如下:

- 供應商聘用的員工必須符合當地法定的最低工作年齡。
- 供應商在其生產設施的任何部份或任何方面 均不得使用被強迫或被監禁的勞工。
- 不得虐打或威脅虐打員工。
- 供應商不得抵觸當地環保法律和法規。
- 供應商須為員工提供安全健康的工作環境。
- 若本公司或其委聘的第三方審核人員進行 供應商審核期間發現任何問題,供應商必須 致力糾正。

企業管治報告書

The Community

The Group actively supports various charitable organizations and causes. For instance, in the last ten years the Group has made over RMB40 million in cash and in-kind donations to various charitable organizations in Mainland China alone, about RMB33 million of which went towards providing emergency relief to victims of natural disasters. However, we do not confine ourselves to assisting only in emergencies. but also provide stable and long term support to various charitable organizations, especially those associated with education, children and the underprivileged. One such program is the Giordano Hope Primary School project operating under the umbrella of Project Hope, a public service project organized by the China Youth Development Foundation (CYDF). Launched in 2000, the program aims to provide children in poverty-stricken rural areas of Mainland China with access to primary school education, and by the end of 2007 the Group has funded the construction of 18 Giordano Hope Primary Schools in poverty-stricken areas in rural Guizhou and Guangxi. Another example is the ongoing Giordano scholarships programs at Zhongshan University and The Guangzhou Academy of Fine Arts.

The Environment

The Company is also committed to minimizing the environmental impact of its operations. Convinced that every little effort helps, the Company pushes its employees to recycle office paper and reduce wastage. At the end of 2007, the Company began studying the feasibility of converting its shops to use only energy saving lighting. We have chosen four stores in Hong Kong for the pilot program, with two having just been converted in March 2008. The initial results have been encouraging: the stores experienced energy savings of over 50.0 percent from more efficient lighting as well as reduced air conditioning usage without significant impact on the level of illumination and general store ambience. The Company will closely evaluate the performance of these pilot stores and make the necessary adjustments and refinements before embarking on a wider roll-out of the program.

CONTINUOUS CORPORATE GOVERNANCE ENHANCEMENT

The Board will continue to pay close attention to any regulatory changes and international developments with a view to continually review and enhance the corporate governance standards of the Company.

社區

本集團大力支持各慈善機構及慈善活動。譬如,本集團於過去十年便已向多間中國內地慈善機構捐民幣 一三千三百萬元是用於為災民提供緊急援助。當就是用於為災民提供緊急援助。當樣人民幣四千萬元的現金和物資,其中約。當然民力,本集團更為不同的慈善機構開發,一個人工程協助下營辦的佐丹奴希望小學項目。希望工程協助下營辦的佐丹奴希望小學項目。希望是中國青少年發展基金會的一項社會公益事業也是中國青少年發展基金會的一項社會公益事業是中國青少年發展基金會的一項社會公益事業是中國青少年發展基金會的一項社會公益事業是中國青少年發展基金會的一項社會公益事業是中國青少年發展基金會的一項社會公益事業是中國青少年發展基金會的一項社會公益事業是中國大學有關已在貴州及廣西貧困農村地區撥款至上大學及廣州美術學院設立佐丹奴獎學金計劃。

環境

本公司亦致力減低其營運對環境造成的影響。 本公司深信,從小處盡一分力也有益於環保,因此 鼓勵員工將辦公室用紙循環再用,減少耗費。於 二零零七年年底,本公司著手研究旗下店舖全數改 用節能照明設備的可行性,並且選出四間香港門市 作為試點,其中兩間剛於二零零八年三月轉用節能 照明設備。初步成效不俗:由於門市的照能設備更 具效益並減低了空調的使用量,其節能幅度超過 分之五十;而門市的光暗和整體氛圍與先前無異。 本公司將密切評估這些試點的表現,以便在節能計 劃普及前作出必要的調整和改善。

不斷提升企業管治水平

董事會將時刻注視任何監管規定之改變和國際形勢發展,以不斷檢討和提升本公司之企業管治水平。

DIRECTORS' REPORT

董事會報告書

The directors have pleasure in submitting their report together with the audited financial statements of the Company and of the Group for the year ended December 31, 2007.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal business of the Group is the retail and distribution of casual apparel and accessories under *Giordano*, *Giordano Concepts*, *Giordano Ladies*, *Giordano Junior* and *Bluestar Exchange/BSX* brands. These brands offer basic to modern fashionable apparel of quality and value. The Group also carries on garment trading and manufacturing operation, supporting the Group's retail business and supplying products to third parties.

SEGMENT INFORMATION

An analysis of the Group's performance by principal activities and geographical locations of operations for the year ended December 31, 2007 is set out in note 5 to the financial statements.

RESULTS

The results of the Group for the year ended December 31, 2007 and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on pages 55 to 126.

DIVIDENDS

An interim dividend of 4.5 HK cents per share and a special interim dividend of 2.0 HK cents per share were paid on September 14, 2007.

The directors recommend to shareholders the payment of a final dividend of 5.0 HK cents per share and a special final dividend of 10.0 HK cents per share for the year ended December 31, 2007 to those shareholders whose names appear on the register of members of the Company on May 14, 2008.

RESERVES

Movements in reserves during the year are set out in the Statements of Changes in Equity on pages 60 to 62.

DISTRIBUTABLE RESERVES

As at December 31, 2007, the retained profits of the Company together with the contributed surplus available for distribution amounted to HK\$838 million (2006: HK\$1,168 million).

董事會欣然提呈本公司及本集團截至二零零七年 十二月三十一日止年度之董事會報告書及經審核 財務報表。

主要業務

本公司為一投資控股公司。本集團之主要業務為經營零售及分銷 Giordano、Giordano Concepts、Giordano Ladies、Giordano Junior及 Bluestar Exchange/BSX 等品牌之便服及配襯用品。該等品牌提供由基本至流行時尚優質且物有所值之服裝。本集團亦經營成衣貿易及製造業務,供應本集團零售業務的需求,並向本集團以外之人士供應製成品。

分部資料

本集團截至二零零七年十二月三十一日止年度按 照主要業務及營運地區之表現分析載於財務報表 附註5。

業績

本集團截至二零零七年十二月三十一日止年度之業 績及本公司與本集團於該日之財政狀況俱載於第 五十五頁至第一百二十六頁之財務報表內。

股息

中期股息每股港幣四點五仙及特別中期股息每股港幣 二仙已於二零零七年九月十四日派發。

董事會向股東建議派發截至二零零七年十二月 三十一日止年度末期股息每股港幣五仙及特別末期 股息每股港幣一角予二零零八年五月十四日名列 本公司股東名冊上之股東。

儲備

本年度內,儲備之變動情況載於第六十頁至第 六十二頁之權益變動表。

可供分派儲備

於二零零七年十二月三十一日,本公司之可供分 派滾存溢利及繳入盈餘為港幣八億三千八百萬元 (二零零六年:港幣十一億六千八百萬元)。

DIRECTORS' REPORT 董事會報告書

CHARITABLE DONATIONS

Donations made for charitable purposes by the Group during the year amounted to HK\$2.1 million (2006: HK\$2.2 million).

FIXED ASSETS

During the year, the Group acquired fixed assets of approximately HK\$142 million (2006: HK\$111 million). Movements in fixed assets during the year are set out in notes 14, 15 and 19 to the financial statements.

PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at December 31, 2007 are set out in note 34 to the financial statements.

BANK LOANS

As at December 31, 2007, the Group's bank loans of approximately HK\$96 million (2006: HK\$58 million) were repayable on demand or within one year.

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate percentages of purchases and sales attributable to the Group's five largest suppliers and customers respectively are less than 30.0 percent.

TEN-YEAR FINANCIAL INFORMATION

A summary of the results, assets and liabilities of the Group for the last ten fiscal years is set out on pages 2 to 3.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are shown in note 22 to the financial statements.

SHARE OPTION INFORMATION

A summary of the share option scheme and details of the movement in share options of the Company during the year are set out on pages 127 to 132.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws although there are no restrictions against such rights under the laws of Bermuda.

慈善捐款

本集團於本年度內之慈善捐款為港幣二百一十萬元 (二零零六年:港幣二百二十萬元)。

固定資產

本年度內,本集團共添置約港幣一億四千二百萬元 (二零零六年:港幣一億一千一百萬元)之固定資 產。本年度固定資產變動情況載於財務報表附註14、 15及19。

主要附屬公司

本公司於二零零七年十二月三十一日之主要附屬公司 之詳情載於財務報表附註34。

銀行貸款

於二零零七年十二月三十一日,本集團須即付或 於一年內償還之銀行貸款約為港幣九千六百萬元 (二零零六年:港幣五千八百萬元)。

主要供應商及客戶

本集團首五大供應商及客戶所佔的購買及銷售總額 均低於百分之三十。

十年財務資料

本集團過去十個財政年度之業績、資產及負債摘要 載於第二頁至第三頁。

股本

本公司之股本於本年度內之變動詳情載於財務報表 附註22。

購股權資料

購股權計劃之摘要及本公司購股權於本年度內變動 詳情載於第一百二十七頁至第一百三十二頁。

股份優先購買權

本公司之細則中並無股份優先購買權之規定,惟 百慕達法例則無限制該等權利。

DIRECTORS' REPORT

董事會報告書

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 year.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Dr. LAU Kwok Kuen, Peter

Mr. AU Man Chu, Milton *

Mr. Barry John BUTTIFANT *

Mr. FUNG Wing Cheong, Charles

Mr. KWONG Ki Chi, GBS, JP *

Dr. LEE Peng Fei, Allen, JP *

Mr. MAH Chuck On, Bernard

* Independent non-executive directors

In accordance with Bye-Law 98 of the Company's Bye-Laws, Mr. KWONG Ki Chi and Mr. AU Man Chu, Milton will retire by rotation at the forthcoming annual general meeting. Mr. AU Man Chu, Milton will not offer himself for re-election whereas Mr. KWONG Ki Chi, being eligible, will offer himself for re-election at the forthcoming annual general meeting.

Biographical details of the directors of the Company as at the date of this report are set out on pages 24 to 27 of this annual report. Further information of a retiring director proposed to be re-elected is set out on pages 142 to 143 of this annual report.

DIRECTOR'S SERVICE CONTRACT

The director being proposed for re-election at the forthcoming annual general meeting does not have any service contract with the Company or its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors had a material interest, whether directly or indirectly, in any contract of significance subsisted during or at the end of the year to which the Company or any of its subsidiaries was a party.

購買、出售或贖回本公司之 上市證券

本公司及其任何附屬公司於本年度內並無購買、出售或贖回本公司之任何上市證券。

董事會

於本年度內及截至本報告書之日期止,本公司之 董事為:

劉國權博士

歐文柱先生*

畢滌凡先生*

馮永昌先生

鄺其志先生,GBS,JP*

李鵬飛博士,JP*

馬灼安先生

* 獨立非執行董事

根據本公司細則第九十八條, 鄺其志先生及歐文柱先生於即將舉行之股東週年大會上輪值告退。歐文柱先生無意膺選連任,而鄺其志先生符合資格並願意在即將舉行之股東週年大會上膺選連任。

於本年報日,本公司董事之個人資料詳載於本年報 第二十四頁至第二十七頁。有關將退任並獲推薦重 選之董事的進一步資料詳載於本年報第一百四十二 頁至第一百四十三頁。

董事服務合約

擬於即將召開之股東週年大會上膺選連任之董事, 概無與本公司或其附屬公司訂立本集團不可於一年 內毋須賠償(法定補償除外)而終止之服務合約。

董事享有權益之合約

本公司或其任何附屬公司概無參與訂立於年內或 年終任何時間使本公司任何董事擁有不論直接或間 接之重大權益之合約。

DIRECTORS' INTERESTS IN SECURITIES

As at December 31, 2007, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under section 352 of the SFO; or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

董事之證券權益

於二零零七年十二月三十一日,本公司董事及行政總裁在本公司或其相關法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有根據該條例第三百五十二條須予備存的登記冊所載或根據香港聯合交易所有限公司(「聯交所」)之上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司和聯交所之任何權益及淡倉如下:

Beneficial

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

Note: Interests in the shares and underlying shares of equity derivatives were long position. Underlying unlisted shares are share options granted to the directors pursuant to the share option scheme of the Company and details of which are set out on page 130.

附註:擁有之股份及股本衍生工具之相關股份權益均為 好倉。非上市之股本衍生工具之相關股份乃按 本公司採納之購股權計劃而授予董事之購股權, 有關資料載列於第一百三十頁。

Save as disclosed above, as at December 31, 2007, none of the directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under section 352 of the SFO; or as notified to the Company and the Stock Exchange pursuant to the Model Code. Furthermore, save as disclosed above, at no time during the year ended December 31, 2007 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

除上述披露外,於二零零七年十二月三十一日,本公司董事及行政總裁概無在本公司及其相關法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有或被視作擁有根據該條例第三百五十二條須予備存的登記冊所載或根據「標準守則」須知會本公司和聯交所之任何權益或淡倉。此外,除上述披露外,本公司或其任何附屬公司於截至二零零七年十二月三十一日止整年內概無訂立任何安排,令本公司董事或彼等之配偶或未滿十八歲之子女可藉購入本公司或其他法團之股份或債權證而獲益。

DIRECTORS' REPORT

董事會報告書

SUBSTANTIAL SHAREHOLDERS

As at December 31, 2007, the following persons, other than directors and chief executive of the Company, having interests or short positions of five percent or more in the Company's shares or underlying shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

主要股東

於二零零七年十二月三十一日,根據證券及期貨條例第三百三十六條記錄於本公司存置之登記冊, 下列人士(除本公司董事及行政總裁外)擁有本公司 之股份或相關股份之權益或淡倉百分之五或以上:

		Aggregate	Approximate
		long position	aggregate
		in shares and	percentage
		underlying shares	of interests
Name	Note	好倉股份及	總權益
名稱	附註	相關股份總數	百分率概約
Aberdeen Asset Management Plc and its associates	1	219,420,018	14.71%
Harris Associates L.P.	2	118,170,800	7.92%
Sanderson Asset Management Limited	3	90,600,000	6.07%
Franklin Resources, Inc.	4	83,857,058	5.62%
Matthews International Capital Management, LLC	5	75,113,000	5.04%

Notes:

附註:

- 1. Aberdeen Asset Management Plc and its associates held 219,420,018 shares in the capacity of Investment Manager.
- 1. Aberdeen Asset Management Plc 及其聯繫人 以投資經理身份持有二億一千九百四十二萬 零十八股股份。

Aberdeen Asset Management Plc and its various wholly-owned subsidiaries held the following shares on behalf of the accounts they managed:

由 Aberdeen Asset Management Plc 及其多間全 資附屬公司代表其所管理的賬戶持有下列股份:

附屬公司名稱

Aberdeen Asset Management Asia Limited

*好倉股份總數*219,420,018 1,764,000 1,460,000

Aggregate long position in shares

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

3.

- 2. Harris Associates L.P. held 118,170,800 shares in the capacity of Investment Manager.
- Harris Associates L.P. 以投資經理身份持有 一億一千八百一十七萬零八百股股份。
- 3. Sanderson Asset Management Limited held 90,600,000 shares in the capacity of Investment Manager.
- Sanderson Asset Management Limited 以投資 經理身份持有九千零六十萬股股份。

DIRECTORS' REPORT 董事會報告書

SUBSTANTIAL SHAREHOLDERS (continued)

- Franklin Resources, Inc. had a deemed interest in respect of 83,857,058 shares held by its wholly-owned subsidiary, Franklin Templeton Investments Corp., in the capacity of Investment Manager.
- 5. Matthews International Capital Management, LLC held 75,113,000 shares in the capacity of Investment Manager.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

CONTINUING CONNECTED TRANSACTIONS

On March 29, 2006, two subsidiaries of the Group have each entered into a manufacturing license agreement (the "Manufacturing License Agreements") with Placita Holdings Limited ("Placita") in respect of the purchases of Giordano branded merchandize by the Group from Placita and its subsidiaries (the "Purchases") with a finite term of three years as required under Rule 14A.35(1) in the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange for continuing connected transactions.

Placita is owned as to 51.0 percent by the Company and 49.0 percent by Gloss Mind Holdings Limited, which in turn is wholly-owned by Mr. CHEUNG Kwok Leung ("Mr. Cheung"), a director of Placita. Placita is considered a connected person of the Company under the Listing Rules. Accordingly, the Purchases contemplated under the Manufacturing License Agreements constitute continuing connected transactions (the "Transactions") of the Company.

At a special general meeting held on May 9, 2006 (the "SGM"), shareholders of the Company independent of the Transactions approved the Transactions with annual cap amounts of HK\$400 million, HK\$440 million and HK\$484 million for the financial years ended December 31, 2006, 2007 and 2008 respectively.

The Purchases during the financial year ended December 31, 2007 totalled approximately HK\$307 million.

主要股東(續)

- 由 Franklin Resources, Inc. 之全資附屬公司 Franklin Templeton Investments Corp. 以 投資經理身份持有的八千三百八十五萬十千零 五十八股股份被視作彼擁有之權益。
- Matthews International Capital Management, LLC 以投資經理身份持有七千五百一十一萬 = 千股股份。

管理合約

本年度內, 本公司並無訂立或進行任何與本公司 全部或重要業務有關之管理及行政合約。

持續關連交易

於二零零六年三月二十九日,本集團兩間附屬 公司根據聯交所證券上市規則(「上市規則」)第 14A.35(1)條對持續關連交易之規定分別與 Placita Holdings Limited(「Placita」)訂立就本集團向 Placita 及其集團採購 Giordano 品牌貨品(「該等採 購」)之生產許可合同(「生產許可合同」)設有三年期 限。

Placita 由本公司及 Placita 之董事張國良先生 (「張先生」)之全資擁有公司 Gloss Mind Holdings Limited 分別擁有百分之五十一及百分之四十九之 權益。根據上市規則, Placita 被視為本公司之關連 人士。因此,生產許可合同項下之該等採購構成本 公司之持續關連文易(「該等交易」)。

於二零零六年五月九日舉行之股東特別大會 (「股東特別大會」)上,本公司之獨立股東已經批准 了該等交易及其截至二零零六年、二零零七年及二 零零八年十二月三十一日上財政年度之余額上限, 分別為港幣四億元、港幣四億四千萬元及港幣 四億八千四百萬元。

截至二零零七年十二月三十一日止財政年度該等採購 總值約達港幣三億零七百萬元。

DIRECTORS' REPORT

董事會報告書

CONTINUING CONNECTED TRANSACTIONS (continued)

The auditor of the Company has performed certain agreed-upon procedures on the Transactions and reported to the Board that during the year (i) the Transactions have received approval from the Board; (ii) the Transactions have been entered into in accordance with the terms of the relevant agreements or other order contracts governing the Transactions; and (iii) the cap amount of HK\$440 million has not been exceeded.

The independent non-executive directors of the Company have reviewed the Transactions during the year and confirmed that they have been (i) entered into in the ordinary and usual course of business of the Group; (ii) conducted either on normal commercial terms or terms no less favorable to the Group than terms available to independent third parties; and (iii) entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. The independent non-executive directors have also confirmed that the Transactions have not exceeded the maximum amount of HK\$440 million capped for the year ended December 31, 2007 in accordance with the circular of the Company dated April 19, 2006 and approved by the independent shareholders at the SGM.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float required under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

AUDITOR

PricewaterhouseCoopers shall retire and being eligible, offer itself for re-appointment, and a resolution to this effect will be proposed at the forthcoming annual general meeting.

On behalf of the Board **LAU Kwok Kuen, Peter** *Chairman*

Hong Kong, March 28, 2008

持續關連交易

(續)

本公司之核數師就該等交易進行了若干議定程序,並已向董事會匯報在本年度內:(i) 該等交易已獲本公司董事會批准:(ii) 已按規管該等交易之有關協議或其他訂貨合約之條款進行;及(iii) 沒有超逾港幣四億四千萬元之金額上限。

本公司之獨立非執行董事已審閱本年度之該等交易,並確認該等交易已 (i) 在本集團之一般及日常業務運作中進行: (ii) 按正常商業條款進行,或不遜於獨立第三者之條款進行;及 (iii) 根據有關的協議之條款進行,而交易條款公平合理,並且符合本公司股東的整體利益。獨立非執行董事並確認該等交易之總金額沒有超逾本公司日期為二零零六年四月十九日之通函內所載及於股東特別大會上獲獨立股東批准之截至二零零七年十二月三十一日止年度之港幣四億四千萬元之金額上限。

公眾持股量

於本報告日,根據本公司可以得悉之公開資料及 本公司董事亦知悉之情況下,本公司已按上市規則 之要求,維持足夠公眾持股量。

核數師

羅兵咸永道會計師事務所將退任,惟願膺選連任, 而重聘彼等之有關決議案於即將舉行之股東週年 大會上提呈。

承董事會命

劉國權

主席

香港,二零零八年三月二十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

PRICEWATERHOUSE COPERS @

羅兵咸永道會計師事務所

TO THE SHAREHOLDERS OF **GIORDANO INTERNATIONAL LIMITED**

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Giordano International Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 55 to 126, which comprise the consolidated and company balance sheets as at December 31, 2007, and the consolidated profit and loss account, the statements of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致佐丹奴國際有限公司股東

(於百慕達註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第五十五頁 至一百二十六頁佐丹奴國際有限公司(「貴公司」)及其 附屬公司(以下合稱「貴集團」)的綜合財務報表,此 綜合財務報表包括於二零零七年十二月三十一日的 綜合及公司資產負債表與截至該日止年度的綜合損 益表、權益變動表和綜合現金流量表,以及主要會 計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布之香港 財務報告準則及按照香港《公司條例》的披露規定編 製及真實而公平地列報該等綜合財務報表。該責任 包括設計、實施及維護與編製及真實而公平地列報 財務報表相關的內部控制,以使財務報表不存在由 於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用 適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報 表作出意見,並按照百慕達一九八一年《公司法》第 九十條僅向整體股東報告,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。

我們已根據香港會計師公會頒布的香港審計準則進 行審核。這些準則要求我們遵守道德規範,並規劃 及執行審核,以合理確定此等財務報表是否不存有 任何重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷,包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時,核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制,以設計適當的審核程序,但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性,以及評價財務報表的整體列報方式。

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

我們相信,我們所獲得的審核憑證是充足和適當地 為我們的審核意見提供基礎。

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at December 31, 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

意見

我們認為,該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零七年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量,並已按照香港《公司條例》的披露規定妥為編製。

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, March 28, 2008

羅兵咸永道會計師事務所

執業會計師

香港,二零零八年三月二十八日

CONSOLIDATED PROFIT AND LOSS ACCOUNT

綜合損益表

For the year ended December 31, 2007 截至二零零七年十二月三十一日止年度

(In HK\$ millions, except earnings per share)	(除每股盈利外, 以港幣百萬元為單位)	Note 附註	2007	2006
Turnover	營業額	5	4,950	4,372
Cost of sales	銷售成本		(2,593)	(2,194)
Gross profit	毛利		2,357	2,178
Other income	其他收入	5	108	114
Distribution expense	分銷費用		(1,598)	(1,449)
Administrative expense	行政費用		(192)	(171)
Other operating expense	其他經營費用		(291)	(296)
Operating profit	經營溢利	5, 6	384	376
Finance expense	融資費用	7	(2)	(1)
Share of profit of jointly controlled	應佔共同控制公司			
companies	溢利	17	23	8
Share of profit of an associate	應佔一聯營公司溢利	18	12	8
Profit before taxation	除税前溢利		417	391
Taxation	税項	10	(113)	(173)
Profit after taxation	除税後溢利		304	218
Profit attributable to:	應佔溢利:			
Shareholders of the Company	本公司股東	11	295	205
Minority interests	少數股東		9	13
			304	218
Dividends	股息	12	321	395
Earnings per share	每股盈利	13		
Basic	基本		19.8¢	13.8¢
Diluted	攤薄		19.8¢	13.7¢

BALANCE SHEETS

資產負債表

December 31, 2007 二零零七年十二月三十一日

			Group		Company	
		Note	隻	美 團	4	公司
(In HK\$ millions)	(以港幣百萬元為單位)	附註	2007	2006	2007	2006
ASSETS	資產					
Non-current assets	非流動資產					
Property, plant and equipment	物業、機器及設備	14	287	261	9	10
Investment property	投資物業	15	84	86	-	_
Interest in subsidiaries	附屬公司權益	16	-	_	898	898
Interest in jointly controlled companies	共同控制公司權益	17	375	358	-	_
Interest in an associate	一聯營公司權益	18	43	32	-	_
Leasehold land and rental prepayments	租賃土地及租金預付款項	19	311	307	155	160
Rental deposits	租賃按金		262	253	-	_
Deferred tax assets	遞延税項資產	24	37	34	-	_
			1,399	1,331	1,062	1,068
Current assets	流動資產					
Inventories	存貨	20	441	422	_	_
Leasehold land and rental prepayments	租賃土地及租金預付款項	19	21	14	5	5
Trade and other receivables	應收賬款及其他應收款	21	504	494	1	1
Amounts due from subsidiaries	應收附屬公司款項	16	-	_	499	832
Cash and bank balances	現金及銀行結存	28	570	723	12	1
			1,536	1,653	517	839
Total assets	資產總額		2,935	2,984	1,579	1,907

BALANCE SHEETS

資產負債表

December 31, 2007 二零零七年十二月三十一日

			Group		Company	
		Note	隻	美 團	1	公司
(In HK\$ millions)	(以港幣百萬元為單位)	附註	2007	2006	2007	2006
EQUITY AND LIABILITIES	權益及負債					
Capital and reserves	股本及儲備					
Share capital	股本	22	75	75	75	75
Reserves	儲備	23	1,628	1,614	1,232	1,489
Proposed dividends	擬派股息	12	224	298	224	298
Equity attributable to shareholders	本公司股東					
of the Company	應佔權益		1,927	1,987	1,531	1,862
Minority interests	少數股東權益		99	103	-	_
Total equity	權益總額		2,026	2,090	1,531	1,862
Non-current liabilities	非流動負債					
Deferred tax liabilities	遞延税項負債	24	109	103	-	
Current liabilities	流動負債					
Trade and other payables	應付賬款及其他應付款	25	646	599	2	2
Bank loans	銀行貸款	29	96	58	46	43
Taxation	税項		58	134	-	
			800	791	48	45
Total liabilities	負債總額		909	894	48	45
Total equity and liabilities	權益及負債總額		2,935	2,984	1,579	1,907

LAU Kwok Kuen, Peter

劉國權 Director 董事

MAH Chuck On, Bernard

馬灼安 Director 董事

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended December 31, 2007 截至二零零七年十二月三十一日止年度

		Note		
(In HK\$ millions)	(以港幣百萬元為單位)	附註	2007	2006
Operating activities:	經營業務:			
Profit before taxation	除税前溢利		417	391
Adjustments for:	調整:			
Share of profit of jointly controlled companies	應佔共同控制公司 溢利	17	(23)	(0)
Share of profit of an associate	應佔一聯營公司溢利 應佔一聯營公司溢利	18	(12)	(8) (8)
Loss on dilution of a jointly controlled	攤薄一共同控制公司權益		(/	(3)
company	之虧損		3	_
Amortization of leasehold land and	租賃土地及租金預付款項			
rental prepayments	攤銷	19	18	14
Interest income	利息收入	5	(13)	(19)
Depreciation	折舊	6	118	110
Impairment of property, plant and	物業、機器及設備			
equipment	減值	6	3	_
Net loss on disposal of property,	出售物業、機器及設備之			
plant and equipment	淨虧損	6	3	3
Interest on bank loans	銀行貸款利息	7	2	1
Share option expense	購股權費用		1	1
Operating cash inflow before changes	營運資金、利息及税項變動前			
in working capital, interest and tax	之經營現金流入		517	485
Increase in inventories	存貨之增加		(19)	(53)
Increase in trade and other receivables	應收賬款及其他應收款之增加		(4)	(84)
Increase in trade and other payables	應付賬款及其他應付款之增加		41	84
Cash generated from operations	經營活動所產生之現金		535	432
Interest paid	已付利息		(2)	(1)
Hong Kong profits tax paid	已付香港利得税		(21)	(36)
Overseas tax paid	已付海外税項		(169)	(89)
Net cash inflow from	經營業務之			
operating activities	現金流入淨額		343	306

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended December 31, 2007 截至二零零七年十二月三十一日止年度

		Note		
(In HK\$ millions)	(以港幣百萬元為單位)	附註	2007	2006
Investing activities:	投資業務:			
Purchase of property, plant and	購買物業、機器			
equipment	及設備	14	(142)	(111)
Proceeds from sale of property,	出售物業、機器及設備			
plant and equipment	之收入		3	1
Investment in a jointly controlled	投資於一共同			
company	控制公司		-	(10)
Increase in leasehold land and	租賃土地及租金預付款項			
rental prepayments	之增加		(19)	(4)
Increase in rental deposits	租賃按金之增加		(15)	(2)
Interest received	已收利息		13	19
Dividends received from jointly	已收共同控制			
controlled companies	公司股息		7	6
Dividends received from an associate	已收一聯營公司股息		-	6
Net cash outflow	投資業務之			
from investing activities	現金流出淨額		(153)	(95)
Financing activities:	融資業務:			
Proceeds from issue of shares	發行股份之收入		2	4
Dividends paid to minority shareholders	已付少數股東股息		(12)	(6)
Dividends paid	已付股息		(395)	(395)
Additions/(repayment) of bank loans	銀行貸款之增加/(償還)		38	(18)
Net cash outflow from financing	融資業務之現金流出			
activities	淨額		(367)	(415)
	4 4		(3.2.7)	(112)
Decrease in cash and	現金及現金等值			45.5.1
cash equivalents	之減少		(177)	(204)
Cash and cash equivalents at	年初現金及現金等值			
the beginning of the year	結存		720	900
Effect of foreign exchange rate	外幣匯率變動			
changes	之影響		24	24
Cash and cash equivalents at	年終現金及現金等值			
the end of the year	結存	28	567	720

STATEMENTS OF CHANGES IN EQUITY

權益變動表

For the year ended December 31, 2007 截至二零零七年十二月三十一日止年度

(a) Group

集團

Attributable to shareholders of the Company

本公司股東應佔權益

Conf. MRS Amillons Capital 数					本	公司股東應信	占權益					
於二字학년구 月 - 日 75 383 3 606 10 20 113 777 1,867 103 2,06 Exchange adjustment on translation of overseas subsidiaries and branches 부처림로이 있었으라 변호 전략으로 Subsidiaries and branches 부처림로이 있었으라 변호 전략으로 Subsidiaries and branches (Aphilage Disposal più pe Zula più pe		capital	Contributed surplus	redemption reserve 資本	premium	options reserve 購股權	reserve	(附註23) Other reserves	profits		interests 少數股東	Total equity 權益總額
Exchange adjustment on translation of overseas subsidiaries and branches		75	383	3	606	10	20	113	777	1 987	103	2,090
Net gain recognized directly in equity	Exchange adjustment on translation of overseas subsidiaries and branches 海外附屬公司及分公司換算之匯兑調整 Movement in net deferred tax liabilities (note 24)	-	-	-	-	-	39	-	-	39		38
呼收益直接於權益中確認	遞延柷垻貝慎净覩之變動(附註24)	-	-	-	-		(2)	-	-	(2)	-	(2)
Total recognized gain 確認收益總額 37 - 37 - 295 332 8 3 Transfer among reserves 儲備同轉 (4) 4 Share option scheme 開胶權計劃 - Share issue upon exercise of share options - 四行使開股權而發行之股份 2 2 - 2 - Share option expense - 開股權費用 1 - 1 - Dividends to minority shareholders 少赦股更殷息 1 1 - Dividends to minority shareholders (note 12(b)) - = **** (298) (298) - (288) (2006) (note 12(a)) - = **** (97) (97) - (488) (12 (488) (1	淨收益直接於權益中確認 Profit for the year	-	-	-	-	-	37	-	-			36
確認收益總額 37 - 295 332 8 3 Transfer among reserves 儲備問題轉 (4) 4	本年度溢利	-	-	-	-	-	-	-	295	295	9	304
語補間預轉 (4) - 4 1 Share option scheme 講教権計劃 - Shares issue upon exercise of share options - 因行使開股権而發行之敵份 2 2 2 2 Share option expense - 講教種用 1 - 1 - 1 - Dividends to minority shareholders 少數股東殷息 1 1 (12) (2006 final and special dividends (note 12(b)) - ママネ・末期及特別殷息(附註12(b)) (298) (298) - (2807 interim and special dividends (note 12(a)) 2 (3) (391) (392) (12) (4207 interim and special dividends (note 12(a)) 2 (3) (391) (392) (12) (4207 interim and special dividends (note 12(a)) 2 (3) (391) (392) (12) (4207 interim and special dividends (note 12(a)) (97) (97) - (97) (97) - (97) (97) - (97) (97) - (97) (97) - (97) (97) (97) - (97) (97) (97) (97) (97) (97) (97) (97)		<u>-</u>	_	<u>-</u>	<u>-</u>	<u>_</u>	37	<u>-</u>	295	332	8	340
share options - 因行使購股權而發行之股份	儲備間撥轉 Share option scheme	-	-	-	-	(4)	-	-	4	-	-	-
Dividends to minority shareholders 少數股東股息 (12) (2006 final and special dividends (note 12(b)) —零零六年末期及特別股息(附註12(b)) (298) (298) - (2007 interim and special dividends (note 12(a)) —零零七年中期及特別股息(附註12(a)) (97) (97) - (2007) At December 31, 2007	share options - 因行使購股權而發行之股份 - Share option expense	-	-	-	2	-	-	-	-		-	2
少數股東股息 - - - - - - - - - (12) (2006 final and special dividends (note 12(b)) -		-	-	-	-	1	-	-	-	1	-	1
一零零六年末期及特別股息 (附註12(b)) (298) (298) - (298) - (2007 interim and special dividends (note 12(a)) (97) (97) - (97) - (97) - (391) (392) (12) (42	少數股東股息 2006 final and special dividends	-	-	-	-	-	-	-	-	-	(12)	(12)
_ = で	二零零六年末期及特別股息(附註12(b)) 2007 interim and special dividends	-	-	-	-	-	-	-	(298)	(298)	-	(298)
2 (3) (391) (392) (12) (4 At December 31, 2007		_	_	_	_	_	_	_	(97)	(97)	_	(97)
	— < < C 1 MM MM MM MM MM MM M	<u>-</u>	_	-	2	(3)	_	<u>-</u>			(12)	(404)
	At December 31, 2007											
		75	383	3	608	7	57	113	681	1,927	99	2,026

STATEMENTS OF CHANGES IN EQUITY

權益變動表

For the year ended December 31, 2007 截至二零零七年十二月三十一日止年度

(a) Group

(a) 集團

The comparative figures for 2006 are set out as follows:

二零零六年之比較數字如下: Attributable to shareholders of the Company

本公司股東應佔權益

				4	公司股果應任	曜益					
(In HK\$ millions) (以港幣百萬元為單位)	Share capital 股本	Contributed surplus 繳入盈餘	Capital redemption reserve 資本 贖回儲備	Share premium 股份溢價	Share options reserve 購股權 儲備	Exchange reserve 匯兑儲備	(Note 23) (附註23) Other reserves 其他儲備	Retained profits 滾存溢利	Total 合計	Minority interests 少數股東 權益	Total equity 權益總額
At January 1, 2006											
於二零零六年一月一日	74	383	3	602	10	(30)	119	961	2,122	93	2,215
Exchange adjustment on translation of overseas subsidiaries and branches 海外附屬公司及分公司換算之匯兑調整 Movement in net deferred tax liabilities (note 24)	-	-	-	-	-	51	-	-	51	3	54
遞延税項負債淨額之變動(附註24)	-	-	-	-	_	(1)	_	-	(1)	-	(1)
Net gain recognized directly in equity 淨收益直接於權益中確認 Profit for the year	-	-	-	-	-	50	-	-	50	3	53
本年度溢利	-	-	-	-	-	_	-	205	205	13	218
Total recognized gain 確認收益總額		_		_	<u>-</u>	50		205	255	16	271
Transfer among reserves 儲備間撥轉 Share option scheme 購股權計劃 - Shares issue upon exercise of	-	-	-	-	-	-	(6)	6	-	-	-
share options - 因行使購股權而發行之股份 - Share option expense	1	-	-	4	(1)	-	-	-	4	-	4
- 購股權費用 Dividends to minority shareholders	-	-	-	-	1	-	-	-	1	-	1
少數股東股息 2005 final and special dividends	-	-	-	-	-	-	-	-	-	(6)	(6)
(note 12(b)) 二零零五年末期及特別股息(附註12(b)) 2006 interim and special dividends (note 12(a))	-	-	-	-	-	-	-	(298)	(298)	-	(298)
二零零六年中期及特別股息(附註12(a))	_	_	_	_	_	_	-	(97)	(97)	-	(97)
	1	_	_	4	-	_	(6)	(389)	(390)	(6)	(396)
At December 31, 2006											
於二零零六年十二月三十一日	75	383	3	606	10	20	113	777	1,987	103	2,090

STATEMENTS OF CHANGES IN EQUITY

權益變動表

For the year ended December 31, 2007 截至二零零七年十二月三十一日止年度

(b) Company 公司

		Share capital	Contributed surplus	Capital redemption reserve	Share premium	Share options reserve 購股權	Retained profits	Total equity
(In HK\$ millions)	(以港幣百萬元為單位)	Dapital 股本	缴入盈餘	贖回儲備	股份溢價	儲備	滾存溢利	權益總額
At January 1, 2007	於二零零七年一月一日	75	540	3	606	10	628	1,862
Profit for the year (note 11)	本年度溢利(附註11)	-	-	-	-	-	61	61
Total recognized gain	確認收益總額	_	<u>-</u>	<u>-</u>	_	<u>-</u>	61	61
Transfer among reserves	儲備間撥轉	-	-	-	-	(4)	4	-
Share option scheme	購股權計劃							
- Shares issue upon exercise of share options	- 因行使購股權而發行之股份	-	-	-	2	-	-	2
- Share option expense	- 購股權費用	-	-	-	-	1	-	1
2006 final and special dividends	二零零六年末期及特別股息							
(note 12(b))	(附註12(b))	-	-	-	-	-	(298)	(298)
2007 interim and special dividends	二零零七年中期及特別股息							
(note 12(a))	(附註12(a))	-	-	-	-	-	(97)	(97)
		<u>-</u>	<u>-</u>	<u>-</u>	2	(3)	(391)	(392)
At December 31, 2007	於二零零七年十二月三十一日	75	540	3	608	7	298	1,531

The comparative figures for 2006 are set out as follows:

二零零六年之比較數字如下:

				Capital		Share		
(In HK\$ millions) At January 1, 2006	<i>(以港幣百萬元為單位)</i> 於二零零六年一月一日	Share capital 股本 74	Contributed surplus 繳入盈餘 540	redemption reserve 資本 贖回儲備	Share premium 股份溢價 602	options reserve 購股權 儲備	Retained profits 滾存溢利 776	Total equity 權益總額 2,005
Profit for the year (note 11)	本年度溢利(附註11)	-	-	-	-	-	247	247
Total recognized gain	確認收益總額						247	247
Share option scheme - Shares issue upon exercise of share options - Share option expense	購股權計劃 - 因行使購股權而發行之股份 - 購股權費用	1 -	-	-	4	(1)	-	4
2005 final and special dividends (note 12(b)) 2006 interim and special dividends	二零零五年末期及特別股息 (附註12(b)) 二零零六年中期及特別股息	-	-	-	-	<u>-</u>	(298)	(298)
(note 12(a))	(附註12(a))	-	-	-	-	-	(97)	(97)
		1	_	<u>-</u>	4	<u>-</u>	(395)	(390)
At December 31, 2006	於二零零六年十二月三十一日	75	540	3	606	10	628	1,862

財務報表附註

December 31, 2007 二零零七年十二月三十一日

1. GENERAL INFORMATION

Giordano International Limited (the "Company") and its subsidiaries (together the "Group") distribute and sell casual apparel under the brand names of *Giordano*, *Giordano Concepts*, *Giordano Ladies*, *Giordano Junior* and *Bluestar Exchange/BSX* through an extensive retailing network with over 1,800 shops spanning over 20 countries. It also operates a limited manufacturing capacity in Mainland China.

The Company is a limited liability company incorporated in Bermuda. Its registered office is situated at Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda. The Company has its primary listing on The Stock Exchange of Hong Kong Limited (stock code: 709).

The consolidated financial statements are presented in million of units of Hong Kong dollars (HK\$ million) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on March 28, 2008.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The financial statements are prepared under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value.

1. 一般資料

Giordano International Limited (「本公司」) 及其附屬公司 (統稱「本集團」) 透過一個擁有超過一千八百間店鋪並遍布二十多個國家之零售網絡分銷及銷售 Giordano、Giordano Concepts、Giordano Ladies、Giordano Junior 及 Bluestar Exchange/BSX 等品牌之便服。本集團亦於中國大陸有限度經營製衣業務。

本公司為一間於百慕達註冊成立的有限責任公司,其註冊辦事處位於 Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda。本公司的證券於香港聯合交易所有限公司以第一市場上市(股份代號:709)。

除特別註明外,本綜合財務報表以港幣百萬元為單位。 此綜合財務報表已於二零零八年三月二十八日獲董事會 通過。

2. 主要會計政策

本財務報表中所採用之主要會計政策現列載如下:

(a) 編製基準

本財務報表乃按照香港會計師公會頒布之香港財務報告準則(「HKFRS」)、香港會計準則(「HKAS」)及詮釋編製。本財務報表按照歷史成本法編製,再就衍生金融工具重估其公平值而修改。

財務報表附註

December 31, 2007 二零零十年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with HKFRSs and HKASs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

The accounting policies and methods of computation used in the preparation of these financial statements are consistent with those used in 2006 except for the adoption of new and revised HKASs and HKFRSs which are effective for accounting periods beginning on or after January 1, 2007 as set out in note 2(b) below.

(b) Impact of new and revised HKFRSs and HKASs

The Group has adopted HKFRS 7 "Financial Instruments: Disclosures", and the complementary Amendment to HKAS 1 "Presentation of Financial Statements – Capital Disclosures" which introduced new disclosures relating to financial instruments and capital management, respectively. The following new Interpretations are effective on January 1, 2007 but are not relevant or do not have significant impact to the Group's operations:

Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies HK(IFRIC) - Int 8 Scope of HKFRS 2

HK(IFRIC) - Int 7

HK(IFRIC) – Int 9 Reassessment of Embedded

Derivatives

HK(IFRIC) - Int 10 Interim Financial Reporting and

Impairment

Applying the Restatement

2. 主要會計政策 (續)

(a) 編製基準(續)

在遵照 HKFRS 及 HKAS 編製財務報表時需要運用一些重要會計估計。管理層亦需要在應用本集團之會計政策時作出判斷。一些需要高度判斷或涉及複雜範疇:或對綜合財務報表有重大影響之假設和估計於附註4披露。

除了採納於下列附註 2(b) 列出於二零零七年一月一日或以後開始之會計年度生效之新增及經修訂之 HKAS 及HKFRS 外,編製此財務報表所採用之會計政策及計算方法與編製二零零六年度之財務報表所採用相同。

(b) 新增及經修訂之 HKFRS 及 HKAS 的影響

本集團已採納 HKFRS 7「金融工具:披露」和與金融工具及資本管理新披露方式有關之 HKAS 1「財務報表的呈列 - 資本披露」的補充修訂。以下呈列之新增詮釋已於二零零七年一月一日起生效,但與本集團營運無關或並無構成重大影響。

在嚴重通貨膨脹的經濟下應用

	HKAS 29 財務報告之重列方式
HK(IFRIC) 詮釋 8	HKFRS 2的範圍
HK(IFRIC) 詮釋 9	重新評估嵌入式衍生工具
1 11 (1 EDIO) +7 im 10	
HK(IFRIC) 詮釋 10	中期財務報告及減值

HK(IFRIC) 詮釋 7

財務報表附註

December 31, 2007 二零零七年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Impact of new and revised HKFRSs and HKASs (continued)

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Group's business and are mandatory for the Group's accounting periods beginning on or after January 1, 2008 or later periods. The Group has not early adopted the following new standards, amendments and interpretations for the year ended December 31, 2007:

HKFRS 8 – Operating Segments (effective for annual periods beginning on or after January 1, 2009).

HKAS 23 (Revised) – Borrowing Costs (effective for annual periods beginning on or after January 1, 2009).

HK (IFRIC) – Int 11 – HKFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007).

HK (IFRIC) – Int 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after July 1, 2008).

Apart from certain presentational changes, the adoption of the above new standards, amendments and interpretations will have no significant impact on the Group's financial statements. The Group will adopt these new and revised HKFRSs when they become effective.

2. 主要會計政策 (續)

(b) 新增及經修訂之 **HKFRS** 及 **HKAS** 的影響(續)

與本集團業務相關而必須於本集團二零零八年一月一日或 之後開始之會計年度採用之若干新增準則和現有準則之修 訂及詮釋經已頒布:惟本集團並未於截至二零零七年十二 月三十一日止年度的財務報表內提早採納該等新增準則和 現有準則之修訂及詮釋:

HKFRS 8 - 「經營分部」(由二零零九年一月一日起或之後 開始的年度生效)。

HKAS 23 (經修訂)-「借貸成本」(由二零零九年一月一日 起或之後開始的年度生效)。

HK(IFRIC) 詮釋 11 - 「HKFRS 2 - 集團及庫存股份交易」 (由二零零七年三月一日起或之後開始的年度生效)。

HK(IFRIC) 詮釋 13 - 「忠實客戶計劃」(由二零零八年七月 一日起或之後開始之年度生效)。

採納以上之新增準則和現有準則之修訂及詮釋,除編列上的若干變動外,並無對本集團之財務報表造成重大影響。 而該等準則生效後,本集團會採納該等準則。

財務報表附許

December 31, 2007 二零零七年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to December 31, 2007.

All material inter-company transactions and balances within the Group are eliminated on consolidation.

The results of subsidiaries acquired or disposed of during the year are dealt with in the consolidated profit and loss account from or up to the effective dates of acquisition or disposal.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill which was not previously charged or recognized in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

(d) Subsidiaries

A subsidiary is a company in which the Company, directly or indirectly, controls more than 50 percent of its voting power or issued share capital or controls the composition of its board of directors or has power to govern its financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. 主要會計政策 (續)

(c) 綜合基準

綜合財務報表包括本公司及其附屬公司截至二零零七年 十二月三十一日止之財務報表。

集團內所有公司間之重大交易及結餘均於綜合報表內 抵銷。

於本年度內收購或出售之附屬公司,其業績由收購或直至 出售之生效日起計入綜合損益表內。

出售附屬公司之收益或虧損,指出售所得之收入與集團應 佔該公司之資產淨值(連同以前並未於綜合損益表內支銷 或入賬之任何商譽)之差額。

少數股東權益指外界股東在附屬公司之經營業績及資產淨值中所佔之權益。

(d) 附屬公司

附屬公司是指本公司直接或間接持有該公司多於百分之 五十投票權或已發行股本或擁有組成其董事會之控制權或 有權監控其財務及經營政策。

附屬公司之賬目由控制權轉移予本集團當日起完全綜合於 本集團賬目內,而於控制權終止當日剔除。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit and loss account.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried in the Company's balance sheet at cost, less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2. 主要會計政策 (續)

(d) 附屬公司(續)

本集團收購附屬公司時以購買會計法入賬。收購成本乃按 轉讓日所給予資產、所發行股本工具及所引致或承擔的負 債的公平值,加收購事項直接引致之成本計算。業務合併 時所收購之可識別資產及所承擔之負債及或然負債初步以 於收購日之公平值計算,而不計入任何少數股東權益。收 購成本超出本集團應佔所收購可識別資產淨值之公平值部 分則記錄為商譽。倘收購成本低於所購附屬公司資產淨值 之公平值,該差異則直接於損益表中確認。

集團公司之間的交易、結餘及交易之未變現收益乃予抵 銷。除非該交易提供證據證明所轉移資產出現減值,否則 未變現虧損亦予以抵銷。附屬公司之會計政策在需要情況 下已作修訂,以確保與本集團所採納之政策一致。

附屬公司之投資,以成本值扣除減值虧損之撥備納入本公司之資產負債表內。本公司將附屬公司之業績按已收及應 收股息入賬。

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Jointly controlled companies

A jointly controlled company is an entity in which each venturer has an interest and of which its financial and operating policies are under contractual arrangements jointly controlled by the venturers.

The Group adopts the equity method to account for the interests in jointly controlled companies. The consolidated profit and loss account includes the Group's share of the results of jointly controlled companies for the year, and the Group's balance sheet includes the Group's share of net assets of the jointly controlled companies. When the Group transacts with its jointly controlled companies, unrealized profits and losses are eliminated to the extent of the Group's interests in jointly controlled companies.

In the Company's balance sheet, the interests in jointly controlled companies are stated at cost less provision for impairment losses. The results of jointly controlled companies are accounted for by the Company on the basis of dividend received and receivable.

(f) Associates

An associate is a company over which the Group has significant influence but does not control, generally accompanying an equity interest of between 20 percent and 50 percent.

The Group's share of its associate's post-acquisition profits or losses is recognized in the profit and loss account, and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. 主要會計政策 (續)

(e) 共同控制公司

共同控制公司乃每位投資者擁有其權益而該公司之財務及 營運決策乃根據合約安排由投資者共同控制。

本集團採納權益法處理於共同控制公司之權益。綜合損益 表包括本集團於年內應佔共同控制公司之業績,而集團資 產負債表包括本集團所佔共同控制公司之淨資產。當本集 團與共同控制公司有交易時,未變現溢利及虧損會根據本 集團所佔權益予以抵銷。

於本公司之資產負債表,共同控制公司之權益以成本值扣 除減值虧損之撥備入賬。本公司將共同控制公司之業績按 已收及應收股息入賬。

(f) 聯營公司

聯營公司是指本集團對其有重大影響但不擁有控制權的公司,一般擁有其百分之二十至百分之五十股本權益。

本集團對收購後應佔聯營公司的利潤或虧損於損益表中確認,而應佔收購後的聯營公司的儲備變動在儲備中確認。 收購後的累積變動乃於投資之賬面值作調整。當本集團應 佔聯營公司的虧損相等於或大於其佔聯營公司的權益(包 括任何其他無擔保之應收賬款),除非本集團有該責任或 已代聯營公司支付款項,本集團不再確認額外的虧損。

財務報表附註

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Associates (continued)

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's balance sheet, the investments in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Company on the basis of dividend received and receivable.

(g) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(h) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

2. 主要會計政策 (續)

(f) 聯營公司(續)

因本集團與聯營公司之間交易而產生的未變現收益按本集 團所佔權益予以抵銷。除非該交易提供證據證明所轉移資 產出現減值,否則未變現虧損亦予抵銷。

於本公司之資產負債表內,聯營公司之投資以成本值扣除 減值虧損之撥備入賬。本公司將聯營公司之業績按已收及 應收股息入賬。

(a) 分部報表

一個業務分部是指從事提供產品或服務之一組資產及業務,而該組資產及業務之風險及回報有別於其他業務分部。一個地區分部乃在某一特定經濟環境下從事提供產品或服務,而該分部之風險及回報有別於在其他經濟環境經營的分部。

(h) 外幣換算

(i) 功能性及呈列貨幣

本集團內各企業的財務報表內的項目均以該企業經營 之主要經濟環境之通行貨幣(「功能性貨幣」)計量。 綜合財務報表以港元呈列,而該貨幣為本公司的功能 性及呈列貨幣。

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

(iii) Group companies

The results and financial position of all the group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at balance sheet date;
- income and expenses for each profit and loss account are translated at average exchange rates (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the exchange rate on transaction dates); and
- all resulting exchange differences are recognized in the exchange reserve.

2. 主要會計政策 (續)

(h) 外幣換算(續)

(ii) 交易及結餘

外幣交易均按交易當日之匯率折算為功能性貨幣入 賬。上述交易結算過程中以及按年終兑換匯率換算以 外幣為單位之貨幣性資產和負債時出現的匯兑收益及 虧損均於損益表中確認。

(iii) 集團公司

所有本集團之公司若其功能性貨幣與呈列貨幣不同 (各公司均無極高通脹經濟之貨幣),其業績及財務狀 況均按以下方法換算為呈列貨幣:

- 每份呈列於資產負債表之資產及負債均以該資 產負債表結算日之收市匯率換算;
- 每份損益表之收入及支出乃按平均匯率換算(除 非該平均匯率對交易日通行匯率之累計影響並 非是一個合理的接近匯率;在此情況下,收入 及支出乃按交易當日的匯率換算);及
- 所有兑換差異乃於匯兑儲備中確認。

財務報表附註

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Foreign currency translation (continued)

(iii) Group companies (continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign companies, and of borrowings and other currency instruments designated as hedges of such investments, are taken to exchange reserve. When a foreign operation is sold, such exchange differences are recognized in the profit and loss account as part of the gain or loss on sale.

(i) Property, plant and equipment

Freehold land is stated at cost and is not amortized.

Buildings, leasehold improvements and other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost over their estimated useful lives, as follows:

- Freehold land is not depreciated.
- Buildings situated on freehold land are depreciated over their estimated useful lives, being no more than 50 years after the date of completion.

2. 主要會計政策 (續)

(h) 外幣換算(續)

(iii) 集團公司(續)

於綜合賬目時,換算境外公司投資淨值,以及借款和 作為上述投資之對沖之其他貨幣投資時產生之匯兑差 額乃列入匯兑儲備內。當出售境外業務時,該匯兑差 額於損益表中確認為出售收益或虧損。

物業、機器及設備

永久業權土地以成本值入賬及不作攤銷。

樓宇、租賃物業裝修及其他固定資產以成本值扣除累積折 舊及累積減值虧損列賬。成本值指資產之購買價及將資產 達至現行用途之其他有關費用。

僅在與該項目相關之未來經濟效益有可能歸於本集團及能 可靠地計算出該項目成本之情況下,其後之成本才會包括 於資產賬面值或確認為獨立之資產(如適用)。所有其他維 修及保養支出於其產生之財務期內計入損益表。

物業、機器及設備之折舊乃以資產成本值按其估計於本集 團可使用年期以直線方式撇銷如下:

- 永久業權之土地不作折舊。
- 位於永久業權土地上之樓宇是按估計可使用年期,以 其完成日不多於五十年計算。

財務報表附許

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Property, plant and equipment (continued)

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of lease or their estimated useful lives, being no more than 50 years after the date of completion.
- Plant5 years
- Other property and equipment 3 5 years

Assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognized in the profit and loss account.

(j) Investment property

An investment property is a property which is held for long term rental yield or for capital appreciation, or both.

Investment property comprises buildings held under finance leases. It is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost represents the purchase price of the investment property and other costs incurred to bring the property into its existing use. Depreciation of investment property is calculated to write off its cost over the unexpired period of the lease.

2. 主要會計政策 (續)

(i) 物業、機器及設備(續)

- 位於租賃土地上之樓宇是按估計剩餘租賃年期或其估 計可使用年期,以完成日不多於五十年計算,兩者之 較短者折舊。
- 機器 五年
- 其他物業及設備 三至五年

於每個結算日,資產之剩餘價值及可使用年期,會於適當 情況下重新審閱及作出調整。

倘某資產之賬面值大於其估計可收回金額,該資產之賬面 值將即時減值至其可收回之金額。

出售物業、機器及設備之收益或虧損是指出售淨收益與有 關資產賬面金額之差額,並於損益表內確認。

(i) 投資物業

投資物業是指持有作為長期收租或資本增值,或兩者 皆是。

投資物業包括以融資租賃下持有之樓宇,以成本值扣除累積折舊及累積減值虧損列賬。成本值是指投資物業之購買價及將物業達至現行用途之其他有關費用。投資物業之折舊是按剩餘租賃年期將其成本值撇銷計算。

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Investment property (continued)

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

(k) Impairment of assets

Assets that have an indefinite useful life are not subject to amortization, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-inuse. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and is arrived at as follows:

- Raw materials and purchased goods invoiced prices plus procurement costs;
- Work in progress and finished goods cost of direct materials, direct labor and an appropriate proportion of production overheads, excluding borrowing costs.

2. 主要會計政策 (續)

投資物業(續)

僅在與該項目相關之未來經濟效益有可能歸於本集團及能 可靠地計算出該項目成本之情況下,其後的支出才會包括 於資產賬面值。所有其他維修及保養支出於其產生之財務 期內計入損益表。

(k) 資產減值

無指定使用年期之資產毋需攤銷,但至少每年或每當有事 項或情況轉變顯示不可收回賬面值時就檢討是否需要減 值。需要攤銷之資產於每年或每當有事項或情況轉變顯示 賬面值不可收回時,就檢討是否需要減值。減值虧損即時 按資產賬面值超出其可收回金額之差額確認。可收回金額 為資產之公平值減銷售成本與使用價值之較高者。於評估 減值時,資產應按可分開確認現金流量之最低水平(現金 產生單位)分類評估。

存貨

存貨按成本值與可變現淨值兩者中之較低者入賬。成本值 乃按加權平均之基準並按下列方法計算:

- 原料及購入貨品 按發票價加採購成本;
- (ii) 在製貨品及製成品 直接物料成本、直接勞工成本及 應佔之生產費用,不包括借貸成本。

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(I) Inventories (continued)

Net realizable value is the estimated price at which inventories can be sold in the normal course of business after allowing for the costs of realization and, where appropriate, the cost of conversion from their existing state to a finished condition.

(m) Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the profit and loss account.

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within bank loans in current liabilities on the balance sheet.

(o) Trade and other payables

Trade and other payables are initially recognized at fair value and are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. 主要會計政策 (續)

(1) 存貨(續)

可變現淨值指存貨在正常業務情況下之預計售價扣除變賣 費用,及扣除將其轉換成製成產品之成本(如適用)。

(m) 應收賬款及其他應收款

應收賬款及其他應收款乃按其公平值入賬,其後以實際利率攤銷成本計量;若在折現的影響並不重要的情況下應收 賬款及其他應收款則以成本扣除減值撥備列賬。應收賬款 及其他應收款之減值撥備在有客觀證據下,證明將不能按 應收款項之原有條款收回全數金額時確立。撥備金額為資 產賬面值與估計未來現金流量之現值(按實際利率折現) 之差額。撥備金額於損益表內確認。

(n) 現金及現金等值

現金及現金等值包括手頭現金、銀行通知存款、其他短期 高度流通和於三個月內到期之投資及銀行透支。銀行透支 於資產負債表流動負債之銀行貸款內呈列。

(o) 應付賬款及其他應付款

應付賬款及其他應付款以公平值確認,其後按攤銷成本計算,若貼現後的影響不大,在此情況下,可按成本值列賬。

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2. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Borrowing costs

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

(a) Deferred taxation

Deferred taxation is provided in full, using liability method, on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Taxation rates enacted or substantially enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets generated from taxable losses are not recognized unless it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxation is provided on the temporary differences arising on investment in subsidiaries, jointly controlled companies and associates, except where the timing of the reversal of the temporary differences can be controlled by the parent company and it is probable that the temporary difference will not reverse in the foreseeable future.

2. 主要會計政策 (續)

(p) 借貸成本

所有借貸成本於發生期間內於損益表支銷,除非此等成本 直接歸屬於收購、建造或生產資產,而該資產需要長時間 達至其預設用途或用作出售,才可作資本化。

(q) 遞延税項

遞延税項採用負債法就資產及負債之税基與其在財務報表 之賬面值兩者之短暫性差異作全數撥備。於結算日已頒布 或實質上頒布的稅率,將用作為決定遞延稅項。

因税務虧損所產生之遞延税項資產不會確認入賬,除非預 期日後應課税溢利可抵銷此短暫性差異。

遞延税項就投資於附屬公司、共同控制公司及聯營公司所 產生之短暫性差異而撥備,惟母公司若可以控制此時差之 撥回,並有可能在可預見未來不會撥回則除外。

財務報表附註

December 31, 2007 二零零十年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Employee benefits

(i) Pension obligations

Except for the pension scheme arrangements in Taiwan, the Group operates defined contributions schemes and, if applicable, participates in central defined contribution provident fund schemes for all qualified employees. The assets of the said schemes are held by independently administered funds separated from those of the Group. Contributions to these schemes are made by both the employers and employees at rates up to 20 percent on the employees' salaries.

The Group's contributions to the defined contribution plans and mandatory provident fund scheme are expensed as incurred and, if applicable, are reduced by contributions forfeited by those employees who leave the scheme or the plan prior to vesting fully in the contributions. The Group has no further payment obligations once the contributions have been made.

The branches of wholly-owned subsidiaries of the Group in Taiwan have a defined benefit scheme ("Old Scheme") governed by the Labor Standard Law and a defined contribution scheme ("New Scheme") governed by the Labor Pension Act which became effective on July 1, 2005.

Under the Old Scheme, the Group has an obligation to ensure that there are sufficient funds in the scheme to pay the benefits earned for the service years of all employees before the New Scheme was effective and the subsequent service years of employees who chose to continue to participate in the Old Scheme. The branches currently contribute at two percent of the total salaries of participating employees as determined and approved by the relevant government authorities. The assets of the Old Scheme are invested by the Central Trust of China.

2. 主要會計政策 (續)

(r) 僱員福利

(i) 退休金責任

除台灣之退休計劃安排外,本集團為所有合資格的僱員實行界定供款計劃及(如適用)參與中央界定供款 公積金計劃。界定供款計劃之資產與本集團之資產分開持有,並由獨立基金管理。僱主與僱員雙方均須就該等計劃作供款,而供款額乃取決於僱員薪金之百分比,最高為百分之二十。

本集團就該界定供款計劃及強制性公積金計劃所作出 之供款在發生時作為費用支銷,而員工在取得全數既 得之利益前退出計劃而被沒收之僱主供款將會用作扣 減此供款。本集團於作出供款後,便再無其他付款的 責任。

集團全資附屬公司之台灣分公司依據台灣勞動基準法條例參與「確定給付制」之退休金計劃(「舊制」);同時,自二零零五年七月一日起,依據台灣勞工退休金條例參與「確定提撥制」之退休金計劃(「新制」)。

在舊制下,集團有責任確保有足夠的資金支付員工之 退休金包含在新制實施前舊年資應保留之退休金及選 擇繼續參與舊制的員工之隨後年資,台灣分公司現行 按參與員工薪金總額之百分之二提撥退休金,此提撥 比率是經相關政府單位批准的,舊制的退休金資產乃 是由中央信託局投資。

財務報表附註

December 31, 2007 二零零十年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Employee benefits (continued)

(i) Pension obligations (continued)

Under the New Scheme, the branches contribute each month at six percent of the salary of employees who choose to participate in the New Scheme into individual pension accounts at the Bureau of Labor Insurance.

(ii) Share-based compensation

The Group operates an equity-settled, sharebased compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date. the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(s) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2. 主要會計政策 (續)

(r) 僱員福利(續)

退休金責任(續)

在新制下,台灣分公司依據選擇參與新制的員工之每 月薪金,按月提撥百分之六的退休金,並存入員工於 勞工保險局之個人賬戶內。

(ii) 以股份支付的補償

本集團設有一項以股權結算、以股份支付之補償計 劃。本集團就授出購股權而取得僱員服務之公平值被 確認並列作開支。購股權歸屬期間之支銷總額乃參考 已授出購股權之公平值而釐定,惟不計及任何非市場 歸屬情況之影響(例如盈利能力及銷售增長目標)。非 市場歸屬情況包括於預期可予行使之購股權數目之假 設內。於各結算日,本集團均會修訂其估計預期可予 行使之購股權之數目。修訂原來估計數字之影響(如 有),則於損益表內確認,以及在餘下歸屬期間對股 東權益作相應調整。

當購股權獲行使時,已收取所得款項於扣除任何直接 交易成本後均列入股本(面值)及股份溢價中。

(s) 撥備

當本集團對已發生的事件須承擔法律性或推定性的責任, 則會確認撥備,而解除該責任時可能有資源之流出,並可 確實地估計該數額。

財務報表附許

December 31, 2007 二零零七年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition

Revenue comprises the fair value for the sales of goods and services, net of value-added tax, rebates return and discounts and after eliminating sales within the Group. Revenue is recognized as follows:

(i) Sales of goods - wholesale

Sales of goods are recognized when products are delivered to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(ii) Sales of goods - retail

Sales of goods are recognized when products are sold to the customer. Retail sales are usually in cash or by credit card. The recorded revenue is the gross amount of sales, before netting off credit card fees payable for the transactions. Such fees are included in distribution costs.

(iii) Sales of services

Sales of services are recognized in the accounting period in which the services are rendered.

(iv) Interest income

Interest income is recognized on a time-proportion basis using the effective interest method, taking into account the principal amount outstanding and the interest rates applicable.

2. 主要會計政策 (續)

(t) 收入確認

收入包括產品及服務銷售的公平值扣減增值税、回扣和折扣及減除集團內銷售。收入確認如下:

(i) 產品銷售-批發

貨品之銷售收益在貨品付運予客戶,而客戶已接納該 貨品及有關應收款項已合理地確定收到時確認。

(ii) 產品銷售-零售

貨品之銷售於出售產品予客戶時確認。零售銷售通常 以現金或信用卡結算;而紀錄之收益為銷售總額,其 中未扣減交易中應付的信用卡費用;此等費用包括在 分銷成本中。

(iii) 服務銷售

服務銷售於提供服務時之會計期間內確認。

(iv) 利息收入

利息收入根據尚未償還之本金及適用之利率,按時間 比例使用實際利率法確認。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(t) Revenue recognition (continued)

(v) Royalty income

Royalty income is recognized on an accrual basis in accordance with the substance of the relevant agreements.

(vi) Dividend income

Dividend income is recognized when the right to receive payment is established.

(u) Derivative financial instruments

Certain derivatives, including forward foreign exchange contracts, which do not qualify for hedge accounting, are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently re-measured at their fair value. Changes in fair value of the derivatives are recognized immediately in the profit and loss account.

(v) Leases (as the lessee)

(i) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, is included in current and non-current borrowings. The interest element of the finance cost is recognized in the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. 主要會計政策 (續)

(t) 收入確認(續)

(v) 專利權收入

專利權收入按照相關協議之實質以應計基準確認。

(vi) 股息收入

股息收入於擁有權利收取股息時確認。

(u) 衍生金融工具

若干衍生工具(包括不符合對沖會計的遠期外匯兑換合約) 先按其於衍生合約訂立日期當日的公平值列賬,再按其後 的公平值重新計算。該等衍生工具公平值的變化,會即時 於損益表內確認。

(v) 租賃(作為承租人)

(i) 融資租賃

凡本集團於資產租賃時將擁有資產之大部分回報及風險均列為融資租賃。於融資租賃開始時,其租賃資產之公平價值或最低租賃支出之現值,以較低者撥作資本化。為了達至基於財務餘額之固定利率,每一租賃支出被分配為負債及財務支出。相應之租務責任在扣除財務支出後會被納入流動及非流動借貸。財務成本的利息項目會於租賃年期內於損益表中確認,以致產生一個基於每期負債餘額的固定利率。

財務報表附註

December 31, 2007 二零零十年十二月三十一日

2. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) Leases (as the lessee) (continued)

(ii) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental payments applicable to such operating leases are charged to the profit and loss account on the straight-line basis over the lease periods.

(w) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved.

(x) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

With the exception of a contingent liability acquired as part of a business combination which is initially recognized at fair value (provided that the fair value can be reasonably measured) in accordance with note 2(d), a contingent liability is not recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognized as a provision.

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities exposed it mainly to currency risk and credit risk. The Group's overall risk management programme seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to manage certain risk exposure when necessary.

2. 主要會計政策 (續)

(v) 租賃(作為承租人)(續)

(ii) 經營租賃

凡出租公司將保留擁有資產之大部分回報及風險之租 賃,皆列為經營租賃。經營租賃之租金在租賃期內以 百線法於損益表內支銷。

(w) 派息

向本公司股東派發之股息,於批准派息的財務期間被確認 為本集團財務報表中的一項負債。

(x) 或然負債

或然負債是指因為過往事件而可能引起之承擔,而其存在 只能就集團不能完全控制之一宗或多宗不確定未來事件之 出現與否而確認。或然負債亦可能因過往事件引致之現有 承擔,但由於可能不需要有經濟資源流出,或所須承擔之 金額未能可靠衡量而未有記賬。

除了當或然負債於商業合併中被一同收購時,根據附註 2(d),其值最初會以公平值被確認(假設該公平值能合理 地計量),或然負債不會被確認,但會在財務報表附註中 披露。倘若資源流出之可能性改變而導致可能出現資源流 出,則確認為撥備。

3. 財務風險管理

(a) 財務風險因素

本集團之業務使其主要受到貨幣及信貸風險之影響。本集 團整體風險管理計劃尋求將對本集團財務表現有不良影響 之潛在風險減至最低。如需要時,本集團會使用金融衍生 工具管理若干所面對的風險。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

3. FINANCIAL RISK MANAGEMENT (continued)

(a) Financial risk factors (continued)

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions, recognized assets and liabilities and net investments in foreign operations.

As at the year end, the foreign exchange risk of the Group arising from commercial transactions, recognized assets and liabilities is considered to be insignificant. This is due to the Group's transactions being generally denominated in the functional currencies of the respective group entities, while balances denominated in currencies other than the functional currency of the relevant group entity are generally settled promptly leaving minimal outstanding foreign currency position as at the balance sheet date.

To manage foreign exchange risk arising from commercial transactions, recognized assets and liabilities, companies in the Group may use forward foreign exchange contracts when major fluctuation in the relevant foreign currency is anticipated.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operation such as Japan is managed partially through borrowings denominated in their relevant foreign currencies.

3. 財務風險管理 (續)

(a) 財務風險因素(續)

(i) 匯兑風險

本集團之國際營運業務面對匯兑風險,來自商業交易、已確認之資產及負債和海外業務投資淨額。

於年結時,來自商業交易、已確認之資產及負債之匯 兑風險對本集團之影響不大,因本集團的各有關實體 一般以當地的功能貨幣作交易單位。本集團之各有關 實體一般皆準時結算以非功能貨幣作交易單位之結 餘,而使於結算日時未償付的外幣結餘極少。

為管理來自商業交易和已確認之資產及負債的外匯風 險影響,當預期有關貨幣會有重大浮動時,本集團之 公司將可能訂立遠期外匯兑換合約。

本集團擁有若干海外業務投資,其淨資產易受外匯換 算風險。本集團於海外業務之淨資產,如日本業務, 所帶來的匯兑風險部份是透過以其相關外匯為單位的 借貸來管理。

財務報表附許

December 31, 2007 二零零七年十二月三十一日

3. FINANCIAL RISK MANAGEMENT (continued)

(a) Financial risk factors (continued)

(ii) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, trade receivables and other receivables, rental deposits and amounts due from related parties. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. As at December 31, 2007, all the bank deposits are placed in the high quality financial institutions without significant credit risk.

The table below shows the deposit balances with banks of various rating as at December 31, 2007 and 2006. Management does not expect any losses from non-performance by these banks.

The Group will limit the amount of credit exposure to place deposits in reputable financial institutions with credit rating of B+ or above only.

3. 財務風險管理 (續)

(a) 財務風險因素(續)

(ii) 信貸風險

本集團之信貸風險主要來自現金及現金等值物、應收 賬款及其他應收款、租賃按金、及應收關聯人士款 項。該等結餘之賬面值為本集團就金融資產所面對的 最高信貸風險。於二零零七年十二月三十一日,所有 銀行存款均存於優質財務機構,並無重大信貸風險。

下表呈列於二零零七年十二月三十一日及於二零零六年十二月三十一日存款於不同評級之銀行存款結餘。 管理層預期不會因該等銀行不履約而產生任何虧損。

本集團就限制信貸風險,制訂只存款於有信貸評級 B+級或以上之財務機構之政策。

		G	roup
		1	集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Counterpart	訂約方		
Banks with A+ rating	評級A+之銀行	227	418
Banks with A or A- rating	評級A 或 A- 之銀行	259	200
Banks with B+ rating	評級B+ 之銀行	33	48
		519	666

The source of current credit rating is from Standard & Poor.

現有信貸評級源自標準普爾。

財務報表附註

Group

December 31, 2007 二零零十年十二月三十一日

3. FINANCIAL RISK MANAGEMENT (continued)

(a) Financial risk factors (continued)

(ii) Credit risk (continued)

Retail sales are usually made in cash, via popular credit cards or through reputable and dispersed department stores. The Group's credit sales are only made to wholesale customers with an appropriate credit history and on credit terms within 60 days.

The table below shows the major types of debtors as at December 31, 2007 and 2006.

3. 財務風險管理 (續)

(a) 財務風險因素(續)

(ii) 信貸風險(續)

零售銷售一般透過現金、普及信用卡或有信譽及分散 之百貨公司付款。本集團僅與具備良好信貸記錄之批 發客戶進行信貸銷售,信貸期為六十天內。

下表呈列於二零零七年十二月三十一日及二零零六年 十二月三十一日之主要債務人。

	<u> </u>	Toup
	:	集團
(In HK\$ millions) (以港幣百萬)	<i>元為單位)</i> 2007	2006
Counterpart 訂約方		
Landlords 業主	277	263
Department stores 百貨公司	158	144
Multinational companies 跨國公司	63	40
Related parties (note 33) 關聯人士(附	註33) 29	39
Credit card receivables 應收信用卡賬	款 12	15
	539	501

These counterparts have no default history in the past. The Group holds a bank guarantee of HK\$73 million (2006: HK\$73 million) from a landlord.

此等訂約方於過往並無壞賬記錄。本集團持有由一業 主發出之銀行擔保港幣七千三百萬元(二零零六年: 港幣七千三百萬元)。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

3. FINANCIAL RISK MANAGEMENT (continued)

(a) Financial risk factors (continued)

(iii) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient banking facilities and cash and cash equivalents, which is generated from the operating cash flow and financing cash flow.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

3. 財務風險管理 (續)

(a) 財務風險因素(續)

(iii) 流動資金風險

本集團透過維持充裕銀行融資以及來自經營現金流量 及融資現金流量的現金及現金等值物,來控制流動資 金風險。

下表根據於結算日至合約到期日餘下期間劃分本集團 之財務負債至相關到期組別之分析。表中所披露金額 為合約未折現現金流量。

			Between	
		Within	1 and	
		1 year	3 years	Total
n HK\$ millions)	(以港幣百萬元為單位)	一年內	一至三年	總額
Trade payables	應付賬款	300	-	300
Accruals and other payables	應計費用及其他應付款	343	3	346
Bank loans	銀行貸款	97	-	97
At December 31, 2007	於二零零七年十二月三十一日	740	3	743
Trade payables	應付賬款	292	_	292
Accruals and other payables	應計費用及其他應付款	297	10	307
Bank loans	銀行貸款	58	-	58
At December 31, 2006	於二零零六年十二月三十一日	647	10	657

財務報表附註

December 31, 2007 二零零十年十二月三十一日

- 3. FINANCIAL RISK MANAGEMENT (continued)
- (a) Financial risk factors (continued)
 - (iv) Cash flow and fair value interest rate risk

Except for the short-term bank borrowings of HK\$96 million (2006: HK\$58 million) held at effective interest rate of 2.6 percent (2006: 1.7 percent); the Group has no significant interestbearing liabilities. The short-term bank borrowings at floating rate expose the Group to cash flow interest rate risk which is insignificant to the Group. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact resulted from the changes in interest rates.

- 3. 財務風險管理 (續)
- (a) 財務風險因素(續)

(iv) 現金流量及公平值利率風險

除按實際利率百分之二點六(二零零六年:百分之一 點七)計息之短期銀行借貸港幣九千六百萬元(二零 零六年:港幣五千八百萬元)外,本集團並無重大計 息負債。以浮動息率計息之短期銀行借貸令本集團面 對現金流量利率風險,惟該等風險對本集團之影響並 不重大。本集團之收入及經營現金流量大體上不受市 場利率變動影響。管理層預期來自利率變動的影響並 不重大。

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3. FINANCIAL RISK MANAGEMENT (continued)

(b) Capital risk management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern as well as maximizing returns for shareholders and benefits for other stakeholders.

The Group has a low gearing ratio of 5.0 percent (2006: 2.9 percent). In order to improve the capital structure, the Group may raise long term debts, adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares.

The table below analyzes the Group's capital structure.

3. 財務風險管理 (續)

(b) 資本管理風險

本集團的資本管理目標,是保障本集團持續營運之能力, 以及為股東提供最大回報及令其他權益持有人獲益。

本集團之低負債比率為百份之五(二零零六年:百份之二點九),為優化資本結構,本集團可能會增加長期借貸、調整派付予股東的股息金額、向股東發還資本及發行新股。

下表為本集團之資本結構分析。

		1	集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Total equity	權益總額	2,026	2,090

The Group's strategy is to maintain a solid base to support the operations and development of its business in the long term. No changes were made in the objectives, policies or processes during the years ended December 31, 2007 and 2006.

本集團的策略為維持穩固的資本基礎,以為長期經營及業 務發展提供支持。於二零零七年及二零零六年內,本集團 之宗旨、政策或過程未有改變。

Group

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4. CRITICAL ACCOUNTING ESTIMATES **AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors. including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Assessment of impairment of non-current assets

The Group conducts impairment reviews of noncurrent assets that are subject to depreciation and amortization whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Management assesses the recoverable amount of each non-current asset based on its value in use or on its net selling price (by reference to market prices), depending upon the anticipated future plans for the assets. These calculations require the use of judgments and estimates.

4. 重要會計估計及

估計及判斷之評估會持續地進行,並以過往使用經驗及其 他因素作為基礎,包括在目前情況下對未來事件的合理 預期。

重要會計估計及 假設

本集團對未來作出估計及假設。所得之會計估計理論上難 以與相關的實際結果相同。以下所論述之估計及假設有相 當風險會引致須於下個財政年度對資產和負債之賬面值作 重大調整。

所得税

本集團須於多個司法權區繳納所得稅。在為所得稅釐 定全球撥備時需要作出相當程度的判斷。於日常業務 禍程中有頗多未能確定最終税項之交易及計算。本集 團依據會否有到期應繳額外税項之估計而確認預期税 務審計項目之負債。倘該等事項之最終税務結果與初 步記錄之金額不同,有關差異將影響作出釐定之期間 內的所得稅及遞延稅項撥備。

(ii) 評估非流動資產減值

每當有事項或情況之轉變顯示須作折舊及攤銷之非流 動資產之賬面值可能不可收回時,本集團便對該等資 產進行減值審閱。管理層評估各非流動資產之可回收 金額時,乃按預期未來使用該等資產之計劃,根據其 使用價值或其售價淨值(參照市場價格)進行評估。 該等計算須使用判斷及估計。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting estimates and assumptions (continued)

(iii) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation for future periods is adjusted if there are material changes from previous estimates.

(iv) Net realizable value of inventories

Net realizable value of inventories is the estimated selling prices in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in economic conditions in places where the Group operates and changes in customer taste and competitor actions in response to changes in market conditions. Management reassesses these estimates at each balance sheet date.

4. 重要會計估計及 判斷(續)

重要會計估計及假設(續)

(iii) 折舊

物業、機器及設備乃按其預計使用年期以直線法折舊。本集團定期審閱該等資產之預計使用年期以釐定 於任何報告期內之折舊金額。使用年期乃根據本集團 對相類似之資產之過往經驗而釐定。如過往之估計有 重大改變,則調整在將來期間之折舊支出。

(iv) 存貨可變現淨值

存貨可變現淨值指日常業務估計售價扣除估計銷售開支。有關估計根據現行市況及過往出售類似產品之經驗而作出。相關估計可能因本集團經營地點之經濟狀況出現變動以及客戶口味及競爭對手就回應市況變動所採取措施而出現重大變動。管理層於各結算日重新評估此等估計。

財務報表附註

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5. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION

The principal business of the Group is retail and distribution of casual apparel and accessories under *Giordano, Giordano Concepts, Giordano Ladies, Giordano Junior and Bluestar Exchange/BSX* brands. The Group also carries on garment trading and manufacturing operation, supporting the Group's retail business and supplying products to third parties.

Turnover and other income recognized during the year are as follows:

5. 營業額、其他收入及分部 資料

本集團主要業務為零售及分銷其 Giordano、Giordano Concepts、Giordano Ladies、Giordano Junior及 Bluestar Exchange/BSX 等品牌之便服及配襯用品。本集團亦同時經營成衣貿易及製造業務,以供應集團零售業務需求,並向本集團以外之人士供應產品。

本年度已確認之營業額及其他收入如下:

			Group 集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Turnover	營業額		
Sales revenue from retail and distribution operation	零售及分銷業務之銷售收入	4,420	4,019
Sales revenue from garment trading and manufacturing	成衣貿易及製造業務之		
operation	銷售收入	530	353
		4,950	4,372
Other income	其他收入		
Interest income	利息收入	13	19
Commission income	佣金收入	6	7
Rental income	租金收入	31	31
Royalty income	特許權收入	17	19
Net exchange gain	匯兑收益淨額	26	19
Other income	其他收入	15	19
		108	114

財務報表附註

December 31, 2007 二零零七年十二月三十一日

5. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (continued)

(a) Primary reporting format – business segments

Segment assets consist of primarily property, plant and equipment, inventories, receivables and operating cash attributable to individual business segment. They exclude unallocated corporate assets.

Segment liabilities comprise operating liabilities. They exclude items such as taxation and unallocated corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment as set out in note 14.

Inter-segment sales were conducted in the normal course of business at prices and terms comparable to the other third party customers of the Group.

(In HK\$ millions)	(以港幣百萬元為單位)	Retail and distribution 零售及 分銷業務 2007	Garment trading and manufacturing 成衣貿易及 製造業務 2007	Eliminations 抵銷項 2007	Group 集團 2007
Turnover External sales Inter-segment sales	營業額 對外銷售 分部間銷售	4,420 -	530 406	- (406)	
		4,420	936	(406)	4,950
Segment results Operating profit	分部業績 經營溢利	384	-	-	384
Finance expense Share of profit of jointly controlled companies Share of profit of an associate	融資費用 應佔共同控制公司溢利 應佔一聯營公司溢利	13 12	10 -		(2) 23 12
Profit before taxation Taxation	除税前溢利 税項				417 (113)
Profit after taxation Minority interests	除税後溢利 少數股東權益			_	304 (9)
Profit attributable to shareholders	股東應佔溢利				295
Assets Segment assets Interest in jointly controlled companies Interest in an associate Unallocated corporate assets	資產 分部資產 共同控制公司權益 一聯營公司權益 未可分配之資產	1,945 342 43	462 33 -		2,407 375 43 110
Total assets	資產總額			_	2,935
Liabilities Segment liabilities Unallocated corporate liabilities	負債 分部負債 未可分配之負債	453	186		639 270
Total liabilities	負債總額			_	909
Other information Capital expenditure (note 14) Depreciation (note 6) Impairment of property, plant and equipment	其他資料 資本開支(附註14) 折舊(附註6) 物業、機器及設備減值	126 103	16 15		142 118
(note 6) Amortization of leasehold land prepayments (note 6)	(附註6) 租賃土地預付款項攤銷 (附註6)	3 9	-		9

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5. 營業額、其他收入及分部資料(續)

(a) 主要報告形式 - 業務分部

分部資產主要包括物業、機器及設備、存貨、個別業務分類應佔應收款項及經營現金。分部資產並不包括未可分配之企業 資產。

分部負債包括經營負債。分部負債並不包括項目如税項及未可分配之企業借貸。

如附註14所載,資本開支包括物業、機器及設備之添置。

分部間銷售是在正常業務範圍內進行,交易價格及條款可與集團其他第三者客戶相比。

(In HK\$ millions)	(以港幣百萬元為單位)	Retail and distribution 零售及 分銷業務 2006	Garment trading and manufacturing 成衣貿易及 製造業務 2006	Eliminations 抵銷項 2006	Group 集團 2006
Turnover	營業額				
External sales	對外銷售	4,019	353	_	
Inter-segment sales	分部間銷售	-	603	(603)	
		4,019	956	(603)	4,372
Segment results	分部業績				
Operating profit	經營溢利	334	42	-	376
Finance expense	融資費用				(1)
Share of profit of jointly controlled companies	應佔共同控制公司溢利	_	8		8
Share of profit of an associate	應佔一聯營公司溢利	8	-	_	8
Profit before taxation	除税前溢利				391
Taxation	税項				(173)
Profit after taxation	除税後溢利			_	218
Minority interests	少數股東權益				(13)
Profit attributable to shareholders	股東應佔溢利				205
Assets	資產			_	
Segment assets	分部資產	1,877	408		2,285
Interest in jointly controlled companies	共同控制公司權益	332	26		358
Interest in an associate	一聯營公司權益	32	-		32
Unallocated corporate assets	未可分配之資產			_	309
Total assets	資產總額				2,984
Liabilities	負債				
Segment liabilities	分部負債	394	205		599
Unallocated corporate liabilities	未可分配之負債				295
Total liabilities	負債總額				894
Other information	其他資料				
Capital expenditure (note 14)	資本開支(附註14)	96	15		111
Depreciation (note 6)	折舊(附註6)	98	12		110
Amortization of leasehold land	租賃土地預付款項攤銷				
prepayments (note 6)	(附註 6)	9	-		9

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5. TURNOVER, OTHER INCOME AND SEGMENT INFORMATION (continued)

(b) Secondary reporting format – geographical segments

Turnover is allocated based on the location of customers. Total assets and capital expenditure are allocated based on the location of those assets.

The following table provides an analysis of the Group's turnover, capital expenditure and total assets by geographical locations.

5. 營業額、其他收入及分部資料 (續)

(b) 次要報告形式 - 地區分部

營業額乃根據客戶所在地分配。資產總額及資本開支乃根 據該等資產所在地分配。

下表為本集團營業額、資本開支及資產總額按地域的分析。

(In HK\$ millions)	(以港幣百萬元為單位)	Turnover 營業額 2007	Capital expenditure 資本開支 2007	Total assets 資產總額 2007
Mainland China		1,465	41	1,087
Hong Kong	香港	963	20	608
Taiwan	台灣	677	27	231
Singapore	新加坡	409	15	122
Australia	澳洲	247	13	65
Middle East	中東	203	-	_
Korea	韓國	183	_	_
Japan	日本	93	1	23
Others	其他	710	25	343
		4,950	142	2,479
Interest in jointly controlled companies Interest in an associate Unallocated corporate assets	共同控制公司權益 一聯營公司權益 未可分配之資產			375 43 38
Total assets	資產總額			2,935
			Capital	Total
		Turnover	expenditure	assets
		營業額	資本開支	資產總額
(In HK\$ millions)	(以港幣百萬元為單位)	2006	2006	2006
Mainland China	中國大陸	1,170	31	893
Hong Kong	香港	925	19	858
Taiwan	台灣	696	18	264
Singapore	新加坡	409	12	122
Australia	澳洲	238	16	84
Korea	韓國	166	-	-
Middle East	中東	142	-	-
Japan	日本	129	1	43
Others	其他	497	14	296
		4,372	111	2,560
Interest in jointly controlled companies	共同控制公司權益			358
Interest in an associate	一聯營公司權益			32
Unallocated corporate assets	未可分配之資產			34
Total assets	資產總額			2,984

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6. OPERATING PROFIT

6. 經營溢利

			Group 集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
The operating profit is stated after charging:	經營溢利已扣除下列各項:		
Amortization of leasehold land prepayments	租賃土地預付款項攤銷	9	9
Auditor's remuneration	核數師酬金	4	3
Depreciation of property, plant and equipment	物業、機器及設備折舊	116	108
Depreciation of investment property	投資物業折舊	2	2
Impairment of property, plant and equipment	物業、機器及設備減值	3	-
Net loss on disposal of property, plant and equipment	出售物業、機器及設備之淨虧損	3	3
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租賃費用		
- minimum lease payments	- 最低租金支出	619	588
- contingent rent	- 或然租金費用	193	180
Provision for obsolete stock and stock written off	陳舊存貨準備及存貨撇銷	23	23
Staff costs (note 8)	員工成本(附註8)	754	656

7. FINANCE EXPENSE

7. 融資費用

			Group
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Interest on bank loans	銀行貸款利息	2	1

8. STAFF COSTS

8. 員工成本

			Group
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Salaries and wages (including directors' emoluments)	薪金及工資(包括董事酬金)	699	609
Share option expense	購股權費用	1	1
Pension cost - defined contribution plans	退休金 - 界定供款計劃	54	46
		754	656

During the year, no unvested benefits were utilized by the Group to reduce the level of contributions (2006: HK\$0.1 million). As at December 31, 2007 and 2006, no unvested benefits were available to be utilized in the future years.

本年度內,本集團沒有運用未能領取之供款(二零零六 年:港幣十萬元)以減低供款水平。於二零零七年及二零 零六年十二月三十一日,沒有可供來年使用之未能領取 供款。

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9. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

9. 董事及高級管理人員酬金

(a) Directors' emoluments

(a) 董事酬金

The emolument of every director for the year ended December 31, 2007 is set out below:

截至二零零七年十二月三十一日止年度內各董事的酬金詳列如下:

Name of Directors	董事姓名	Fees 袍金	Salaries 薪金	Bonuses 花紅	Other benefits [#] 其他津貼 [#]	Employer's contribution to pension schemes 僱主退休金 供款	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2007							
LAU Kwok Kuen, Peter	劉國權	-	2,618	10,344	1,386	12	14,360
FUNG Wing Cheong, Charles	馮永昌	-	1,919	-	104	50	2,073
MAH Chuck On, Bernard	馬灼安	-	2,132	1,500	218	12	3,862
AU Man Chu, Milton *	歐文柱*	275	-	-	-	-	275
Barry John BUTTIFANT *	畢滌凡*	275	-	-	-	-	275
KWONG Ki Chi *	鄺其志*	275	-	-	-	-	275
LEE Peng Fei, Allen *	李鵬飛*	275	-	-	_	-	275
		1,100	6,669	11,844	1,708	74	21,395
2006							
LAU Kwok Kuen, Peter	劉國權	_	2,562	9,515	1,076	12	13,165
FUNG Wing Cheong, Charles	馮永昌	_	1,902	-	93	45	2,040
MAH Chuck On, Bernard	馬灼安	_	2,132	500	290	12	2,934
AU Man Chu, Milton *	歐文柱*	275	_	-	_	-	275
Barry John BUTTIFANT *	畢滌凡*	275	-	-	_	-	275
KWONG Ki Chi *	鄺其志*	138	-	-	-	-	138
LEE Peng Fei, Allen *	李鵬飛*	275	_	_	_	_	275
		963	6,596	10,015	1,459	69	19,102

^{*} Independent non-executive directors

^{*} 獨立非執行董事

[†] Other benefits include insurance premium, housing and tax allowances

[#] 其他收益包括保險供款、房屋及稅項津貼

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9. DIRECTORS' AND SENIOR MANAGEMENT'S **EMOLUMENTS** (continued)

酬金(續)

(a) Directors' emoluments (continued)

The aggregate amount of emoluments payable to directors of the Company during the year is as follows:

(a) 董事酬金(續)

9. 董事及高級管理人員

於本年度內,向本公司董事支付之酬金總額如下:

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Fees	袍.金	1	1
Other emoluments:	其他酬金:	•	
Basic salaries, housing allowances,	基本薪金、房屋津貼、		
other allowances and benefits in kind	其他津貼及實物收益	8	8
Bonuses	花紅	12	10
Pension contributions	退休金供款	_	_
		21	19

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2006: three) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2006: two) individuals during the year are as follows:

(b) 五位最高薪職員

於本年度內,本集團五位最高薪職員中包括三位(二零零 六年:三位)董事,其酬金之詳情已於上文披露。付予餘 下兩位 (二零零六年:兩位)最高薪職員酬金總額如下:

(In HK\$ millions) (以港幣百萬元為單位)			2006
Basic salaries, housing allowances,	基本薪金、房屋津貼、		
other allowances and benefits in kind	其他津貼及實物收益	3	3
Bonuses	花紅	1	_
Pension contributions	退休金供款	_	-
		4	3

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- 9. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)
- (b) Five highest paid individuals (continued) (b) 五位最高薪職員(續)

The emoluments of the remaining highest paid individuals fell within the following bands:

餘下最高薪職員按酬金組別歸類如下:

9. 董事及高級管理人員酬金

(續)

	Numbe	r of individuals
Emolument bands		人數
酬金組別	2007	2006
HK\$		
港幣		
1,500,001 - 2,000,000	-	2
2,000,001 - 2,500,000	1	_
2,500,001 - 3,000,000	1	_

10. TAXATION 10. 税項

The charge for taxation in the consolidated profit and loss account represents:

綜合損益表內之税項支出為:

			Group
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Income tax	所得税項		
Current income tax	本年度所得税項		
- Hong Kong profits tax	- 香港利得税	23	26
- Overseas taxation	- 海外税項	82	74
- Withholding tax on distribution from subsidiaries	- 附屬公司及一共同控制公司		
and a jointly controlled company	之可分配扣繳税項	6	5
Under provision in previous year	過往年度準備不足		
- Overseas taxation	- 海外税項	-	73
		111	178
Deferred tax	遞延税項		
Relating to the origination and reversal of	關於短暫性差異之衍生		
temporary differences	及撥回	1	(5)
Effect of changes in tax rate	税率改變之影響	1	_
		2	(5)
Taxation charge	税項支出	113	173

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10. TAXATION (continued)

Reconciliation of the Group's profit before taxation at the tax rate of Hong Kong to the taxation charge is as follows:

10.税項(續)

本集團之稅項支出與本公司以本港稅率而計算之除稅前溢 利稅項之調節表如下:

		G	roup
		1	集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Profit before taxation (before share of profit of jointly	除税前溢利(不包括應佔共同控制公司		
controlled companies and an associate)	及一聯營公司溢利)	382	375
Calculated at a taxation rate of 17.5%	按税率百分之十七點五		
(2006: 17.5%)	(二零零六年:百分之十七點五)計算	67	66
Effect of different tax rates in other countries	其他國家不同税率之影響	29	13
Expenses not deductible for tax purpose	不可扣税之支出	8	25
Deferred tax assets not recognized	未確認之遞延税項資產	10	3
Income not subject to tax	無須課税之收入	(14)	(17)
Utilization of previously unrecognized tax losses	使用早前未有確認之税損	(1)	_
Withholding tax	扣繳税項	13	10
Under provision in previous year	過往年度準備不足	-	73
Effect of changes in tax rates	税率改變之影響	1	_
Taxation charge	税項支出	113	173

The provision for taxation of the Company and its Hong Kong subsidiaries is calculated by applying the current rate of taxation of 17.5 percent (2006: 17.5 percent) to the estimated assessable profits earned in or derived from Hong Kong during the year.

Taxation on the profits of other subsidiaries operating overseas is calculated at the rates applicable in the respective jurisdictions.

In 2006, the Guangzhou Municipal Office of the State Administration of Taxation (the "SAT Guangzhou Office") of the People's Republic of China conducted a review of the Group's transfer pricing policy in Mainland China for the past years since 1996, focusing primarily on royalties. As a consequence of this review, the SAT Guangzhou Office made a demand for payment of approximately RMB66 million additional Foreign Enterprise Income Tax, which the Group has recognized as a tax provision in 2006 and paid in 2007.

本公司及其香港附屬公司之税項準備是根據本年度從香港 賺取或源自香港之估計應課税溢利按現税率百分之十七點 五(二零零六年:百分之十七點五)計算。

其他於海外經營之附屬公司之利得税項是根據適用於各司 法權區之税率而計算。

於二零零六年,中華人民共和國廣州市國家稅務局(「廣州市國稅局」)就本集團在中國大陸境內自一九九六年起之轉讓定價安排展開審核調查,重點放於特許權收入。根據審核調查之結果,廣州市國稅局要求本集團須補繳外商投資企業和外國企業所得稅約人民幣六千六百萬元,而本集團亦於二零零六年作出適當之稅務撥備並於二零零七年繳付。

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11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The Group's consolidated profit attributable to shareholders of the Company of HK\$295 million (2006: HK\$205 million) includes a profit of HK\$61 million (2006: HK\$247 million) which has been dealt with in the financial statements of the Company.

11.股東應佔 溢利

股東應佔集團之綜合溢利為港幣二億九千五百萬元(二零零六年:港幣二億零五百萬元),包括在本公司財務報表內已計入之股東應佔溢利為港幣六千一百萬元(二零零六年:港幣二億四千七百萬元)。

12. DIVIDENDS

(a) Dividends attributable to the year:

12.股息

(a) 本年度股息如下:

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Interim dividend declared and	已宣布及已派發之中期股息		
paid of 4.5 HK cents	每股港幣四點五仙		
(2006: 4.5 HK cents) per share	(二零零六年:每股港幣四點五仙)	67	67
Special interim dividend declared and	已宣布及已派發之特別中期股息		
paid of 2.0 HK cents	每股港幣二仙		
(2006: 2.0 HK cents) per share	(二零零六年:每股港幣二仙)	30	30
		97	97
Final dividend proposed	於結算日後建議之末期股息		
after the balance sheet date of 5.0 HK cents	每股港幣五仙		
(2006: 5.0 HK cents) per share	(二零零六年:每股港幣五仙)	75	75
Special final dividend proposed	於結算日後建議之特別末期股息		
after the balance sheet date of 10.0 HK cents	每股港幣一角		
(2006: 15.0 HK cents) per share	(二零零六年:每股港幣一角五仙)	149	223
		224	298
		321	395

At the board meeting held on March 28, 2008, the directors proposed final and special final dividends of 5.0 HK cents and 10.0 HK cents per share respectively. These proposed dividends have not been recognized as a liability at the balance sheet date.

於二零零八年三月二十八日舉行之董事會會議上,董事建 議派發末期及特別末期股息分別為每股港幣五仙及港幣 一角。此項擬派股息在結算當日並無確認為負債。

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12. DIVIDENDS (continued)

12.股息(續)

- (b) Dividends attributable to the previous year, approved and paid during the year:
- (b) 屬於上一年度,並於本年度內通過及支付的股息:

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
2006 final dividend approved and paid of 5.0 HK cents (2005: 5.0 HK cents) per share	已批准及派發二零零六年末期股息 每股港幣五仙 (二零零五年:每股港幣五仙)	75	75
2006 special final dividend approved and paid of 15.0 HK cents (2005: 15.0 HK cents) per share	已批准及派發二零零六年特別末期股息 每股港幣一角五仙 (二零零五年:每股港幣一角五仙)	223	223
		298	298

13. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the consolidated profit attributable to shareholders for the year of HK\$295 million (2006: HK\$205 million).

The basic earnings per share is based on the weighted average of 1,491,322,447 shares (2006: 1,490,228,540 shares) in issue during the year.

The diluted earnings per share is based on 1,491,322,447 shares (2006: 1,490,228,540 shares) which is the weighted average number of shares in issue during the year plus the weighted average of 787,037 shares (2006: 1,602,321 shares) deemed to be issued if all outstanding share options granted under the share option scheme of the Company had been exercised.

13.每股盈利

每股基本及攤薄盈利乃按本年度股東應佔綜合溢利港幣 二億九千五百萬元(二零零六年:港幣二億零五百萬元) 計算。

每股基本盈利乃按本年度內已發行股份之加權平均股數 十四億九千一百三十二萬二千四百四十七股(二零零六 年:十四億九千零二十二萬八千五百四十股)計算。

每股攤薄盈利乃按十四億九千一百三十二萬 二千四百四十七股(二零零六年:十四億九千零二十二 萬八千五百四十股),即本年內已發行股份之加權平均股 數,加上假設根據本公司購股權計劃授出之所有未行使購 股權皆已行使而發行之股份之加權平均股數七十八萬七千 零三十七股(二零零六年:一百六十萬零二千三百二十一 股)計算。

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14. PROPERTY, PLANT AND EQUIPMENT

Group

14.物業、機器及設備 集團

Leasehold

					Leasenoid		
					mprovements,		
					furniture		
		Freehold			& office		
		land &			equipment		
		buildings			租賃物業		
		永久業權			裝修、	Motor	
		之土地	Buildings	Plant	傢俬及	vehicles	Total
(In HK\$ millions)	(以港幣百萬元為單位)	及樓宇	樓宇	機器	辦公室設備	汽車	合計
Cost	成本值						
At January 1, 2007	於二零零七年一月一日	37	24	88	722	19	890
Translation difference	換算差額	-	-	2	32	1	35
Additions	添置	5	-	9	124	4	142
Disposals	出售	-	-	(1)	(34)	(2)	(37)
At December 31, 2007	於二零零七年十二月三十一日	42	24	98	844	22	1,030
Accumulated depreciation	累積折舊						
and impairment	及減值						
At January 1, 2007	於二零零七年一月一日	7	1	69	538	14	629
Translation difference	換算差額	-	-	1	24	1	26
Charge for the year	本年度折舊	-	1	6	107	2	116
Impairment	減值	-	-	-	3	-	3
Disposals	出售	-	-	-	(29)	(2)	(31)
At December 31, 2007	於二零零七年十二月三十一日	7	2	76	643	15	743
Net book value at	於二零零七年十二月三十一日						
December 31, 2007	之賬面淨值	35	22	22	201	7	287

Impairment had been charged for the year ended December 31, 2007. The impairment charge was the amount by which the carrying amount of the leasehold improvements, furniture and office equipment exceeded its recoverable amount which was determined based on the value-in-use of the relevant assets estimated by management as at December 31, 2007.

減值已於二零零七年十二月三十一日止年度支銷。減值金額 為租賃物業裝修、傢俬及辦公室設備之賬面值超出其可收回 金額。可收回金額乃管理層根據有關資產於二零零七年十二 月三十一日之估計使用價計算。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

14. PROPERTY,	PLANT	AND	EQUIPMENT
(continued)			

Group

14.物業、機器及設備 (續)

					Leasehold		
					improvements,		
					furniture		
		Freehold			& office		
		land &			equipment		
		buildings			租賃物業		
		永久業權			裝修、	Motor	
		之土地	Buildings	Plant	傢俬及	vehicles	Total
(In HK\$ millions)	(以港幣百萬元為單位)	及樓宇	樓宇	機器	辦公室設備	汽車	合計
Cost	成本值						
At January 1, 2006	於二零零六年一月一日	37	24	83	680	19	843
Translation difference	換算差額	-	-	-	19	1	20
Additions	添置	-	-	5	105	1	111
Disposals	出售	-	-	-	(82)	(2)	(84)
At December 31, 2006	於二零零六年十二月三十一日	37	24	88	722	19	890
Accumulated depreciation	累積折舊						
At January 1, 2006	於二零零六年一月一日	6	-	65	502	14	587
Translation difference	換算差額	_	-	-	14	_	14
Charge for the year	本年度折舊	1	1	4	100	2	108
Disposals	出售	-	_	-	(78)	(2)	(80)
At December 31, 2006	於二零零六年十二月三十一日	7	1	69	538	14	629
Net book value at	於二零零六年十二月三十一日						
December 31, 2006	之賬面淨值	30	23	19	184	5	261

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) As at December 31 of 2007 and 2006, no property, plant and equipment was held under finance lease.
- The freehold land and buildings are situated in Taiwan and Indonesia.
- (c) The analysis of the net book value of buildings is as follows:

14.物業、機器及設備 (續)

- (a) 於二零零七年及二零零六年十二月三十一日,並無 物業、機器及設備以融資租賃方式持有。
- (b) 永久業權之土地及樓宇位於台灣及印尼。
- (c) 樓宇之賬面淨值分析如下:

			Group 集團		mpany 公司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
In Hong Kong, held on - leases of between 10 and 50 years	在香港持有 - 十年至五十年租約	18	19	9	10
Outside Hong Kong, held on - leases of between 10 and 50 years	在香港以外持有 - 十年至五十年租約	1	1	-	_
- leases of over 50 years	- 多於五十年租約	3	3	-	_
		4	4	_	
At December 31	於十二月三十一日	22	23	9	10

財務報表附註

December 31, 2007 二零零七年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT (continued)

14.物業、機器及設備 (續)

Company 公司

(In HK\$ millions)	(以港幣百萬元為單位)	i Buildings 樓宇	Leasehold mprovements, furniture & office equipment 租賃物業 裝修、傢俬及 辦公室設備	Total 合計
Cost At January 1, 2007 and December 31, 2007	成本值 於二零零七年一月一日及 二零零七年十二月三十一日	11	3	14
Accumulated depreciation At January 1, 2007 Charge for the year	累積折舊 於二零零七年一月一日 本年度折舊	1	3 -	4
At December 31, 2007	於二零零七年十二月三十一日	2	3	5
Net book value at December 31, 2007	於二零零七年十二月三十一日 之賬面淨值	9	-	9
(In HK\$ millions)	(以港幣百萬元為單位)	Buildings 樓宇	Leasehold improvements, furniture & office equipment 租賃物業 裝修、傢俬及辦公室設備	Total 合計
Cost At January 1, 2006 and December 31, 2006	成本值 於二零零六年一月一日及 二零零六年十二月三十一日	11	3	14
Accumulated depreciation At January 1, 2006 and December 31, 2006	累積折舊 於二零零六年一月一日及 二零零六年十二月三十一日	1	3	4
Net book value at December 31, 2006	於二零零六年十二月三十一日 之賬面淨值	10	_	10

財務報表附許

December 31, 2007 二零零十年十二月三十一日

15. INVESTMENT PROPERTY

15. 投資物業

The Group has a property which is held for long-term rental yields.

本集團持有一物業作長期收租。

		G	roup
		1	集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Cost	成本值		
At January 1 and December 31	於一月一日及十二月三十一日	101	101
Accumulated depreciation	累積折舊		
At January 1	於一月一日	15	13
Charge for the year	本年度折舊	2	2
At December 31	於十二月三十一日	17	15
Net book value at December 31	於十二月三十一日之賬面淨值	84	86

The fair value of the investment property at December 31, 2007 was assessed by independent professional qualified valuer, Greater China Appraisal Limited. Valuation was based on current market value of the land and on estimate of the replacement cost of building adjusted for age, condition and functional obsolescence. The total fair value of the property, including leasehold land and the building portion, was HK\$158 million as at December 31, 2007 (2006: HK\$148 million). In the profit and loss account, rental income relating to investment property of HK\$10 million (2006: HK\$10 million) was included.

該投資物業於二零零十年十二月三十一日之公平值由獨立 及持有專業資格之漢華評值有限公司估值。估值乃根據土 地現有市價及樓宇樓齡、現有狀況及功能老化等因素調 整後之重置價而作出估計。於二零零七年十二月三十一 日,該物業(包括租賃土地及樓宇部分)之總公平值為港 幣一億五千八百萬元(二零零六年:港幣一億四千八百 萬元)。在損益表中已包括該投資物業之租金收入為港幣 一千萬元(二零零六年:港幣一千萬元)。

The net book value of the investment property is analyzed as follows:

投資物業之賬面淨值分析如下:

		G	roup
		1	
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Outside Hong Kong, held on lease	在香港以外持有		
of between 10 and 50 years	十年至五十年租約	84	86

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16. INTEREST IN SUBSIDIARIES

16.附屬公司權益

			ipany ≿司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Unlisted investment (at cost)	非上市投資(成本值)	898	898
Amounts due from subsidiaries	應收附屬公司款項	499	832

As at the balance sheet date of 2007 and 2006. amounts due from subsidiaries are non-interest bearing, unsecured and repayable on demand.

於二零零七年及二零零六年結算日,應收附屬公司款項均 為免息、無抵押及按要求還款。

Details of principal subsidiaries are set out in note 34 to the financial statements.

主要附屬公司之詳情載於財務報表附許34。

17. INTEREST IN JOINTLY CONTROLLED **COMPANIES**

17.共同控制公司

Issued and fully paid

The following list contains only the particulars of jointly controlled companies, all of which are unlisted, which principally affected the results or assets of the Group:

下列只包括主要影響本集團業績或資產之非上市共同控制 公司之資料:

Name of jointly controlled company 共同控制公司名稱	Place of incorporation and operation 成立及經營地點	Percentage of equity holding 持有股份百分比率		share capital Percentage of or registered capital equity holding 已發行及全數繳足股本		or registered capital 已發行及全數繳足股本	Principal activities 主要業務
		2007	2006				
Giordano Corporation Limited*	Republic of Korea 大韓民國	48.8	49.4	1,025,320 common stock of WON5,000 each 一百零二萬五千三百二十股 每股面值五千韓國圜之普通股	Retail of apparel and accessories 經營零售服裝及配襯用品		
Speedy Garment Manufacturing (Hong Kong) Company Limited* 迅捷環球製衣 (香港) 有限公司*	Hong Kong 香港	49.0	49.0	1 ordinary share of HK\$1 each 一股每股面值港幣一元之普通股	Trading of garments and investment holding 經營成衣貿易及投資控股		
東莞迅捷環球製衣 有限公司*	Mainland China 中國大陸	49.0	49.0	HK\$10,000,000 港幣一千萬元	Manufacturing and trading of apparel and accessories 經營生產及銷售服裝及配襯用品		
Cheong Yiu Enterprises Limited* 昌耀企業有限公司*	Hong Kong 香港	49.0	49.0	200,000 ordinary shares of HK\$1 each 二十萬股 每股面值港幣一元之普通股	Trading of packaging products 經營包裝物料貿易		

jointly controlled companies held indirectly

^{*} 間接持有之共同控制公司

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17. INTEREST IN JOINTLY CONTROLLED **COMPANIES** (continued)

The Group's share of the assets, liabilities, results and commitments of its unlisted jointly controlled companies are as follows:

17.共同控制公司權益 (續)

以下為本集團所佔該等非上市共同控制公司之資產、負 債、業績及承擔:

		G	roup
		1	集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Current assets	流動資產	333	266
Current liabilities	流動負債	(136)	(75)
Non-current assets	非流動資產	181	170
Non-current liabilities	非流動負債	(3)	(3)
Share of net assets	所佔資產淨值	375	358
Revenue	收益	789	660
Expense	費用	(759)	(650)
Profit before taxation	除税前溢利	30	10
Taxation	税項	(7)	(2)
Share of profit after taxation	應佔除税後溢利	23	8
Operating lease commitments	營業租賃之承擔	57	58

There are no contingent liabilities and capital commitments relating to the Group's interest in the jointly controlled companies, and the jointly controlled companies have no contingent liabilities and capital commitments themselves.

本集團所持有之共同控制公司之權益並沒有涉及任何或然 負債及資本承擔,而該等共同控制公司本身亦無任何或然 負債及資本承擔。

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18. INTEREST IN AN ASSOCIATE

18.一聯營公司權益

			oup €團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Unlisted shares (at cost)	非上市股份(成本值)	1	1
Share of post-acquisition profits	所佔收購後溢利	41	29
Share of post-acquisition reserves	所佔收購後儲備	1	2
		43	32

The following list contains only the particulars of an associate which is unlisted and principally affected the results or assets of the Group:

下列只包括主要影響本集團業績或資產之非上市聯營公司 之資料:

	Place of					
Name of	incorporation	Perce	ntage of	Issued and fully paid		
associate	and operation	equity	holding	share capital	Principal activities	
聯營公司名稱	成立及經營地點	持有股份	百分比率	已發行及全數繳足股本	主要業務	
		2007	2006			
Giordano Fashions L.L.C.*	United Arab Emirates 阿拉伯 聯合酋長國	20.0	20.0	3,000 shares of AED1,000 each 三千股每股面值 一千沙地阿拉伯聯合 酋長國迪拉姆之股份	Retail of apparel and accessories 經營零售服裝及配襯用品	
* an associate held indirectly				* 間接持有之一聯營公司		

The Group's interest in its unlisted associate is as follows:

本集團持有之非上市聯營公司權益如下:

			Group 集團		
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006		
Assets	資產	59	43		
Liabilities	負債	(16)	(11)		
Share of net assets	所佔資產淨值	43	32		
Revenue	收益	93	72		
Profit before taxation	除税前溢利	12	8		
Taxation	税項	_			
Share of profit after taxation	應佔除税後溢利	12	8		

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19. LEASEHOLD LAND AND RENTAL **PREPAYMENTS**

19.租賃土地及租金預付 款項

Group 集團

		Leasehold			
		land	Rental		
		prepayments	prepayments		
		租賃土地	租金	Total	
		預付款項	預付款項	合計	
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2007	2007	2006
Net book value at January 1	於一月一日之賬面淨值	243	78	321	326
Translation difference	換算差額	4	6	10	5
Additions	添置	-	19	19	4
Amortization for the year	本年度攤銷	(9)	(9)	(18)	(14)
Net book value	於十二月三十一日之				
at December 31	賬面淨值	238	94	332	321
Current portion	短期部分	(9)	(12)	(21)	(14)
Long-term portion	長期部分	229	82	311	307

公司 Company

Leasehold land prepayments are analyzed as follows: 租賃土地預付款項分析如下:

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Net book value at January 1	於一月一日之賬面淨值	165	171
Amortization for the year	本年度攤銷	(5)	(6)
Net book value at December 31	於十二月三十一日之賬面淨值	160	165
Current portion	短期部分	(5)	(5)
Long-term portion	長期部分	155	160

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19. LEASEHOLD LAND AND RENTAL **PREPAYMENTS** (continued)

Leasehold land prepayments represent prepaid operating lease payments. The costs are amortized over the leasehold period and their net book values are analyzed as follows:

19.租賃土地及租金預付 款項(續)

租賃土地預付款項乃指已預付的經營租賃支出。該等成本 值是按剩餘租賃年期攤銷,其賬面淨值分析如下:

		Group 集團		Com 公	
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
In Hong Kong, held on - leases of between 10 and 50 years	在香港持有 - 十年至五十年租約	170	175	160	165
Outside Hong Kong, held on	在香港以外持有				
- leases of between 10 and 50 years	- 十年至五十年租約	43	43	-	_
- leases of over 50 years	- 多於五十年租約	25	25	-	
		238	243	160	165

20. INVENTORIES

20.存貨

			Group
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Raw materials	原料	56	66
Work in progress	在製貨品	70	51
Finished goods	製成品	315	305
		441	422

The cost of inventories recognized as expense and included in cost of goods sold amounted to HK\$2,593 million (2006: HK\$2,194 million).

存貨值已確認為費用並記賬在銷售成本中為港 幣二十五億九千三百萬元(二零零六年:港幣 二十一億九千四百萬元)。

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21. TRADE AND OTHER RECEIVABLES

21. 應收賬款及其他應收款

	Gı	oup	Com	pany
	隻	美 團	公	司
(In HK\$ millions) (以港幣百萬元為單	2007	2006	2007	2006
Trade receivables 應收賬款	343	327	_	_
Less: Provision for impairment 減:減值撥備	(10)	(10)	-	-
Trade receivables - net 應收賬款淨值	333	317	_	_
Other receivables, including 其他應收款、包括				
deposits and prepayments 訂金及預付款項	171	177	1	1
	504	494	1	1

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

除現金及信用卡銷售外,本集團在正常情況下給予其貿易 客戶平均六十日信貸期。

Despite some of the trade receivables being settled after the credit period, management expects that the balances are recoverable within one year; therefore, these balances are classified as current assets.

雖然部份應收賬款會於信貸期後結算,但管理層預期此 等賬款可於年內收回,所以於資產負債表內分類為流動 資產。

(a) Ageing analysis

(a) 賬齡分析

As at the balance sheet date, the ageing analysis from the invoice date of trade receivables (net of allowance for doubtful debts) is as follows:

於結算日應收賬款(扣除呆賬撥備)之賬齡根據發票日分析 如下:

		(iroup
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
0 - 30 days	零至三十日	227	236
31 - 60 days	三十一至六十日	70	54
61 - 90 days	六十一至九十日	21	13
Over 90 days	逾九十日	15	14
		333	317

The carrying amount of trade receivables are stated approximately at fair value. There is no concentration of credit risk with respect to trade receivables as the Group has a large number of internationally dispersed customers.

應收賬款之賬面值約以公平值列賬。因集團之顧客分散於 世界各地,故有關之應收賬款並無集中性之信貸風險。

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21. TRADE AND OTHER RECEIVABLES (continued)

(a) Ageing analysis (continued)

As at December 31, 2007, trade receivables of HK\$36 million (2006: HK\$29 million) were past due but not impaired. These related to a number of customers for whom there had been no recent history of default. Their ageing analysis from the due date is as follows:

21. 應收賬款及其他應收款 (續)

(a) 賬齡分析(續)

於二零零七年十二月三十一日,逾期但並無減值之應收 賬款為港幣三千六百萬元(二零零六年:港幣二千九百萬 元)。而若干有關客戶在最近並無壞賬記錄。根據到期日 劃分之賬齡分析如下:

		_	• • • •
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
0 - 30 days	零至三十日	18	10
Over 30 days	逾三十日	18	19
		36	29

(b) Impairment of trade receivables

Impairment loss in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

(b) 應收賬款的減值

應收賬款的減值虧損,乃以撥備賬戶入賬,除非本集團認 為收回賬款的機會極微,在此情況下,減值虧損將直接在 應收賬款中撇銷。

年內呆賬撥備的變動(包括特定及整體虧損部分)如下:

		•	aroup
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
At January 1 and December 31	於一月一日及十二月三十一日	10	10

The individually impaired receivables relate to customers that are in financial difficulties and management assesses that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts were recognized. The Group does not hold any collateral over these balances.

個別已減值的應收賬款與出現財政困難的客戶,經管理層 評估預期只可收回部份應收賬款,因此確認為特定呆賬撥 備。本集團並無就有關欠款持有任何抵押品。

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22. SHARE CAPITAL

22. 股本

(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Authorized:	法定:		
2,000,000,000 ordinary shares of	二十億股每股		
HK\$0.05 each	面值港幣五仙之普通股	100	100
Issued and fully paid:	已發行及全數繳足:		
1,491,512,518 ordinary shares	十四億九千一百五十一萬二千五百一十八股		
(2006: 1,490,852,518	(二零零六年:十四億九千零八十五萬		
ordinary shares)	二千五百一十八股)		
of HK\$0.05 each	每股面值港幣五仙之普通股	75	75

Details of the movement in the issued share capital during the year are set out below:

於本年度內,已發行股本之變動情況如下:

Number of shares 股份數日

		IIX.	ижн
		2007	2006
Ordinary shares of HK\$0.05 each	每股面值港幣五仙之普通股		
At January 1	於一月一日	1,490,852,518	1,489,630,518
Issue of shares	發行股份	660,000	1,222,000
At December 31	於十二月三十一日	1,491,512,518	1,490,852,518

(a) Issue of shares

Pursuant to the share option scheme of the Company, the Company issued 660,000 new ordinary shares of HK\$0.05 each in the capital of the Company to optionholders who exercised their rights attached to share options during the year.

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

(b) Share option information

A summary of the share option scheme and details of the movement in share options of the Company during the year are set out on pages 127 to 132.

(c) Repurchase of shares

During the year, the Company did not repurchase any of its shares.

(d) Shares held by a jointly controlled company

As at December 31, 2007, 1,800,000 ordinary shares (2006: 1,800,000 shares) were held by a jointly controlled company.

(a) 發行股份

按本公司之購股權計劃,本公司於本年度內因購股權持有 人行使購股權附予之權利而發行了每股面值港幣五仙之新 普通股股份共六十六萬股。

本公司於本年度內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。

(b) 購股權資料

購股權計劃之摘要及本公司購股權於本年度內之變動詳情 載於第一百二十七至一百三十二頁。

(c) 回購股份

本公司於本年度內並無購回其任何股份。

(d) 一共同控制公司所持有的股份

於二零零七年十二月三十一日,一共同控制公司持有本 公司一百八十萬股普通股股份(二零零六年:一百八十萬 股)。

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23. RESERVES

23. 儲備

The reserves of the Group and the Company as at December 31, 2007 are analyzed as follows:

於二零零十年十二月三十一日,本集團及本公司之儲備分 析如下:

		Group		Company	
		集	集團		司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Contributed surplus	繳入盈餘	383	383	540	540
Capital redemption reserve	資本贖回儲備	3	3	3	3
Share premium	股份溢價	608	606	608	606
Share options reserve	購股權儲備	7	10	7	10
Exchange reserve	匯兑儲備	57	20	-	_
Other reserves	其他儲備	113	113	-	_
Retained profits	滾存溢利	681	777	298	628
		1,852	1,912	1,456	1,787
Proposed final and special dividends	擬派末期及特別股息				
(note 12(a))	(附註12(a))	(224)	(298)	(224)	(298)
Total reserves	儲備總額	1,628	1,614	1,232	1,489

The contributed surplus of the Group and the Company represents credit arising from a group reorganisation pursuant to a scheme of arrangement which was completed on May 29, 1995. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders.

本集團及本公司之繳入盈餘乃指因集團重組而產生之進賬 額,而集團重組乃根據於一九九五年五月二十九日完成 之協議計劃而進行。根據百慕達一九八一年公司法(經修 訂),繳入盈餘可分派予股東。

Details of the main items in other reserves are as follows:

其他儲備之主要項目詳情如下:

- (a) According to the relevant laws and financial regulations, the statutory reserve funds of the subsidiaries in Mainland China may be used to make up prior years' losses, if any, and to increase the capital of the subsidiaries.
- (a) 根據中國大陸有關法律及財務法規,中國大陸之附屬 公司之法定儲備基金可用於彌補往年虧損(如有)及 用以增加該等附屬公司之資本額。
- (b) In accordance with the Korean Tax Incentive Limitation Law and Korean Commercial Code, the statutory reserve fund and other reserves of the jointly controlled company in the Republic of Korea may only be used to offset a future deficit or be transferred to capital stock, but not for cash dividends.
- (b) 根據韓國稅務獎勵限制法例及韓國商業準則,大韓民 國之共同控制公司之法定儲備基金及其他儲備只可以 用作抵銷未來虧損或轉作資本,而不可用作現金股息 派發。
- (c) According to the United Arab Emirates Commercial Companies Law, the statutory reserve fund of the associate in United Arab Emirates is not available for distribution except as provided in the Federal Law.
- (c) 根據阿拉伯聯合酋長國商業公司法例,阿拉伯聯合酋 長國之聯營公司之法定儲備基金,除聯邦法規定外, 不可作分配之用。

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24. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method at the rates applicable in the respective jurisdictions.

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

Deferred tax (assets)/liabilities

24. 搋延税項

遞延税項採用負債法就短暫性差異按適用於各司法權區之 税率而作全數撥備。

本集團於年內的遞延稅項資產及負債之變動(在同一徵稅 地區之結餘抵銷前)如下:

遞延税項(資產)/負債

	Acce	elerated			
	acc	ounting	Unremitted		
	depre	eciation	profits		
		加速	未分派之	Others	Total
(In HK\$ millions)	(以港幣百萬元為單位)	會計折舊	滾存溢利	其他	合計
At January 1, 2007	於二零零七年一月一日	(3)	89	(17)	69
Translation difference	換算差額	-	-	(1)	(1)
Charged/(credited) to profit and loss account	於損益表中列支/(計入)	-	7	(5)	2
Charged to equity	於權益中列支	-	-	2	2
At December 31, 2007	於二零零七年十二月三十一日	(3)	96	(21)	72
At January 1, 2006	於二零零六年一月一日	_	78	(10)	68
Translation difference	換算差額	-	8	(1)	7
(Credited)/charged to profit and loss account	於損益表中(計入)/列支	(3)	5	(7)	(5)
Charged to equity	於權益中列支	-	_	1	1
Reversal of temporary difference	撥回扣繳税項之				
on withholding tax	短暫性差異	-	(2)	-	(2)
At December 31, 2006	於二零零六年十二月三十一日	(3)	89	(17)	69

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24. DEFERRED TAXATION (continued)

The deferred taxation charged to equity during the year comprised the tax on the unrealized exchange gain of a long-term loan to a subsidiary.

The Group has unrecognized deferred tax assets of HK\$67 million (2006: HK\$44 million) arising mainly from tax losses. These unrecognized deferred tax assets to the extent of HK\$36 million (2006: HK\$27 million) will expire within 1 to 7 years from December 31, 2007. The remaining portion is mainly related to the losses of subsidiaries in Australia and Germany which has no expiry date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

24. 搋 延 税 項 (續)

年內於權益中列支的遞延税項內包含長期貸款予一附屬公 司之未變現外匯兑換收益而引致之税項。

本集團有未確認遞延税項資產港幣六千七百萬元(二零零 六年:港幣四千四百萬元)主要源於稅損。此等未確認遞 延税項資產當中港幣三千六百萬元(二零零六年:港幣 二千七百萬元) 將於二零零七年十二月三十一日起一至七 年內屆滿。餘下之部分主要由澳洲及德國附屬公司之無限 期税損引致。

在法定權利許可下,若遞延所得税涉及同一財政機關,遞 延税項資產可與遞延税項負債互相抵銷。下列金額是在計 入適當抵銷後,於綜合資產負債表內列賬。

		Group	
		:	集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Deferred tax assets	遞延税項資產	(37)	(34)
Deferred tax liabilities	遞延税項負債	109	103
		72	69

財務報表附註

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25. TRADE AND OTHER PAYABLES

25. 應付賬款及其他應付款

			oup		pany 司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Trade payables	應付賬款	300	292	-	_
Other payables and	其他應付款及				
accrued expenses	應付費用	346	307	2	2
		646	599	2	2

The ageing analysis of trade payables is as follows:

以下為應付賬款之賬齡分析:

			Group
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
0 - 30 days	零至三十日	251	218
31 - 60 days	三十一至六十日	36	39
61 - 90 days	六十一至九十日	7	20
Over 90 days	逾九十日	6	15
		300	292

The carrying amount of trade payables are stated approximately at fair value.

應付賬款之賬面值約以公平值列賬。

26. NET CURRENT ASSETS

The Group's net current assets, defined as current assets less current liabilities, amounted to HK\$736 million and HK\$862 million in 2007 and 2006 respectively. The Company's net current assets was HK\$469 million and HK\$794 million in 2007 and 2006 respectively.

27. TOTAL ASSETS LESS CURRENT **LIABILITIES**

The Group's total assets less current liabilities amounted to HK\$2,135 million and HK\$2,193 million in 2007 and 2006 respectively. The Company's total assets less current liabilities was HK\$1,531 million in 2007 compared with HK\$1,862 million in 2006.

26. 淨流動資產

本集團之淨流動資產指流動資產扣除流動負債。本集團 於二零零七年及二零零六年之淨流動資產分別為港幣 七億三千六百萬元及港幣八億六千二百萬元。本公司 於二零零七年及二零零六年之淨流動資產分別為港幣 四億六千九百萬元及七億九千四百萬元。

27.資產總額扣除流動 負債

本集團於二零零七年及二零零六年之資產總額扣除流動負債 分別為港幣二十一億三千五百萬元及港幣二十一億九千三百 萬元。本公司於二零零七年之資產總額扣除流動負債 為港幣十五億三千一百萬元, 而二零零六年則為港幣 十八億六千二百萬元。

財務報表附註

December 31, 2007 二零零十年十二月三十一日

28. ANALYSIS OF BALANCES OF CASH AND **CASH EQUIVALENTS**

28. 現金及現金等值結存 之分析

			Group
			集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Cash and bank balances	現金及銀行結存	570	723
Less: Bank deposits with maturity over three	減:存款日起三個月以上到期		
months from date of deposits	之銀行定期存款	(3)	(3)
		567	720

Included in the cash and bank balances of the Group are cash and bank balances totaling HK\$277million (2006: HK\$208 million) denominated in Renminbi.

The effective interest rate on bank deposits of the Group was 3.4 percent (2006: 3.6 percent); these deposits have an average maturity of less than 3 months.

本集團以上之現金及銀行結存包括等值港幣二億七千七百 萬元(二零零六年:港幣二億零八百萬元)之人民幣現金及 銀行結存。

本集團定期存款的實際利率為百分之三點四(二零零六 年:百分之三點六),該等存款之平均到期期限為少於 三個月。

29. BANK LOANS

29.銀行貸款

		Group		Company	
		É	美 團	公	司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Trust receipts bank loans (unsecured)	信託票據貸款(無抵押)	20	_	-	_
Short-term bank loans (unsecured)	短期銀行貸款(無抵押)	76	58	46	43
		96	58	46	43

Certain inventories were held under trust receipts bank loans arrangements.

若干存貨是在信託票據銀行貸款安排下持有。

The effective interest rate of Group's trust receipts and short term bank loans was 2.6 percent (2006: 1.7 percent); these bank loans have an average maturity of less than 3 months.

本集團之信託票據貸款及短期銀行貸款的實際利率為百分 之二點六(二零零六年:百分之一點七)。該等銀行貸款之 平均到期期限為少於三個月。

財務報表附註

December 31, 2007 二零零十年十二月三十一日

30. COMMITMENTS

Commitments under operating leases

(a) As at December 31, 2007, the Group and the Company had future aggregate minimum lease charges payable under non-cancellable operating leases in respect of retail shops, office premises, factories and warehouses as set out below:

30.承擔

經營和賃之承擔

(a) 於二零零七年十二月三十一日,本集團及本公司就零 售店舖、辦公室、工廠及貨倉之不可於未來撤銷之經 營租賃的最低應付租賃費用如下:

		Group		Company	
		集	專	公	司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Within one year	一年內	624	522	2	3
After one year but within five years	一年後但五年內	834	638	-	2
Over five years	五年以上	32	42	-	_
		1,490	1,202	2	5

The leases 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.

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。

- (b) As at December 31, 2007, the Group and the Company has future aggregate minimum lease income receivable under non-cancellable operating leases in respect of retail shops and factories as set out below:
- (b) 於二零零七年十二月三十一日,本集團及本公司就零 售店舖及工廠之不可於未來撤銷之經營租賃的最低應 收租賃收入如下:

		Group		Comp	any
		集	專	公司	i i
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Within one year	一年內	24	24	17	10
After one year but within five years	一年後但五年內	39	7	29	_
		63	31	46	10

財務報表附註

December 31, 2007 二零零十年十二月三十一日

31. CAPITAL COMMITMENTS

31. 資本承擔

As at December 31, 2007, the Group has the following capital commitments in respect of leasehold improvement, furniture and fixtures:

於二零零十年十二月三十一日,本集團有以下關於租賃物 業裝修、傢俬及辦公室設備之資本承擔:

		Group		Company	
		集	團	公	司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Contracted but not provided for	已簽約但未撥備	1	_	-	_
Authorized but not contracted for	已授權但未簽約	-	1	-	_
		1	1	-	_

32. DERIVATIVE FINANCIAL INSTRUMENTS

32.衍生金融工具

As at December 31, 2007, the total notional amount of outstanding forward foreign exchange contracts to which the Group has committed are as follows:

於二零零七年十二月三十一日,本集團已承擔但未行使之 遠期外匯兑換合約之設定總額如下:

		Group		Company	
		身	靊	公	司
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006	2007	2006
Forward foreign exchange contracts	遠期外匯兑換合約	13	25	_	_

The fair value loss of the outstanding forward foreign exchange contracts was estimated to be approximately HK\$2 million at December 31, 2007 (2006: gain of HK\$1 million). The fair value was calculated based on market values of equivalent instruments at the balance sheet date and was included in other payables at December 31, 2007 (2006: included in other receivables). These outstanding forward foreign exchange contracts will expire at various dates between one month to six months from the balance sheet date.

於二零零七年十二月三十一日,遠期外匯兑換合約公平值 之虧損約為港幣二百萬元(二零零六年:收益為港幣一百 萬元)。該公平值乃根據同等工具於資產負債表日之市場 價值釐定,並包括於其他應付款內(二零零六年:包括於 其他應收賬款內)。遠期外匯兑換合約將於資產負債表日 起一至六個月內的不同到期日到期。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

33. 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) During the year, certain subsidiaries traded with jointly controlled companies and an associate in the ordinary and usual course of business. Details relating to these transactions are as follows:

33.重大關聯人士 交易

有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關聯人士。

(a) 於本年度內,本集團若干附屬公司按一般及日常業務 過程與若干共同控制公司及一聯營公司進行正常交 易。有關該等交易詳述如下:

			roup 集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Sales to:	銷售給:		
jointly controlled companies	共同控制公司	159	164
an associate	一聯營公司	204	142
		363	306
Purchases from:	購貨自:		
jointly controlled companies	共同控制公司	438	209
Rental income from:	租金收入自:		
a jointly controlled company	一共同控制公司	10	10

財務報表附註

December 31, 2007 二零零十年十二月三十一日

33. MATERIAL RELATED PARTY **TRANSACTIONS** (continued)

33.重大關聯人士 交易(續)

Amounts due from/to these related parties at December 31 are:

於十二月三十一日應收/應付關聯人士款項:

			roup 集團
(In HK\$ millions)	(以港幣百萬元為單位)	2007	2006
Amounts due from:	應收關聯人士款項:		
jointly controlled companies	共同控制公司	9	20
an associate	一聯營公司	20	19
		29	39
Amounts due to: jointly controlled companies	應付關聯人士款項: 共同控制公司	2	_

As at December 31, 2007, the above amounts due from related parties and amounts due to related parties are reflected in trade receivables and other payables respectively.

於二零零十年十二月三十一日,上述應收關聯人士與 應付關聯人士等款項已分別反映在應收賬款及其他應 付款。

(b) Key management compensation

The directors regard the five highest paid individuals as the key management of the Group whose remuneration is disclosed in note 9 to the financial statements.

(b) 重要管理層報酬

董事認為重要管理層為最高薪五位職員,其酬金於 財務報表附註9披露。

財務報表附註

December 31, 2007 二零零七年十二月三十一日

34. PRINCIPAL SUBSIDIARIES

34.主要附屬公司

The following is a list of the principal subsidiaries of the Company as at December 31, 2007:

本公司於二零零七年十二月三十一日之主要附屬公司 如下:

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	percel equity 持有	ective ntage of holding 股份之 百分率	Issued and fully paid share capital or registered capital 已發行及全數繳足 股本或註冊資本	Principal activities/ place of operation 主要業務/經營地區
		2007	2006		
Bluestar Exchange Limited * 寶斯特有限公司*	Hong Kong 香港	100	100	3,000,000 ordinary shares of HK\$1 each 三百萬股 每股面值港幣一元 之普通股	Retail and distribution of apparel and accessories/ Hong Kong 經營零售及分銷 服裝及配襯用品/香港
Bluestar Exchange Worldwide Limited * 捷達環球貿易 有限公司*	Hong Kong 香港	100	100	650,000 ordinary shares of HK\$1 each 六十五萬股 每股面值港幣一元 之普通股	Retail of apparel and accessories/ Taiwan 經營零售服裝 及配襯用品/台灣
East Jean Limited *	Hong Kong 香港	100	100	100,000 ordinary shares of HK\$10 each 十萬股 每股面值港幣十元 之普通股	Retail of apparel and accessories/ Taiwan 經營零售服裝 及配襯用品/台灣
G & B Sourcing Macao Commercial Offshore Limited * 智源澳門離岸商業 服務有限公司*	Macau 澳門	100	100	MOP100,000 澳門幣十萬元	Garment trading/Macau 成衣貿易/澳門

財務報表附註

December 31, 2007 二零零七年十二月三十一日

34. PRINCIPAL SUBSIDIARIES (continued)

34.主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	percei equity 持有	ective ntage of holding 股份之 百分率	Issued and fully paid share capital or registered capital 已發行及全數繳足 股本或註冊資本	Principal activities/ place of operation 主要業務/經營地區
		2007	2006		
Giordano (Australia) Pty. Limited *	Australia 澳洲	79	79	700,000 ordinary shares of AUD1 each 七十萬股 每股面值一澳元 之普通股	Retail of apparel and accessories/ Australia 經營零售服裝 及配襯用品/澳洲
Giordano (Japan) Limited *	Japan 日本	100	100	1,020 ordinary shares of JPY50,000 each 一千零二十股 每股面值五萬日元 之普通股	Retail of apparel and accessories/ Japan 經營零售服裝 及配襯用品/日本
Giordano Limited * 佐丹奴有限公司 *	Hong Kong 香港	100	100	50,000 ordinary shares of HK\$100 each 五萬股 每股面值港幣一百元 之普通股	Retail and distribution of apparel and accessories/ Hong Kong 經營零售及分銷 服裝及配襯用品/香港
Giordano (M) Sdn. Bhd.	Malaysia 馬來西亞	100	100	350,000 ordinary shares of RM1 each 三十五萬股 每股面值馬來西亞幣 一元之普通股	Retail of apparel and accessories/ Malaysia 經營零售服裝 及配襯用品/馬來西亞

財務報表附註

December 31, 2007 二零零七年十二月三十一日

34. PRINCIPAL SUBSIDIARIES (continued)

34.主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	perce equity 持有	ective ntage of nholding 股份之 百分率	Issued and fully paid share capital or registered capital 已發行及全數繳足 股本或註冊資本	Principal activities/ place of operation 主要業務/經營地區
Giordano (Macau) Limited * 佐丹奴澳門有限公司 *	Macau 澳門	2007	2006	MOP50,000 represented by 2 quotas 澳門幣五萬元 以兩股出資份額代表	Retail of apparel and accessories/ Macau 經營零售服裝 及配襯用品/澳門
Giordano Originals (Singapore) Private Limited	Singapore 新加坡	100	100	S\$1,900,002 新加坡幣一百九十萬零二元	Retailing and trading of apparel and accessories/ Singapore 經營零售及貿易 服裝及配襯用品/新加坡
Gloss Mind Apparel (Hong Kong) Limited * 亮志服裝(香港) 有限公司 *	Hong Kong 香港	51	51	2 ordinary shares of HK\$1 each 二股 每股面值港幣一元 之普通股	Trading of apparel products and providing apparel sourcing services/ Hong Kong 經營服裝貿易 及提供相關貨源服務/香港
PT. Giordano Indonesia *	Indonesia 印尼	40	40	1,500 ordinary shares of IDR1,000,000 each 一千五百股 每股面值一百萬印尼盾 之普通股	Retail of apparel, accessories and related products/Indonesia 經營零售服裝、配襯用品 及其有關產品/印尼

財務報表附註

December 31, 2007 二零零七年十二月三十一日

34. PRINCIPAL SUBSIDIARIES (continued)

34.主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	Effective percentage of equity holding 持有股份之實際百分率		Issued and fully paid share capital or registered capital 已發行及全數繳足 股本或註冊資本	Principal activities/ place of operation 主要業務/經營地區	
		2007	2006			
Shenzhen Tiger Garment Ltd. * (note) 深圳虎威製衣 有限公司 * (附註)	Mainland China 中國大陸	100	100	RMB210,100,000 人民幣二億一千零十萬元	Investment holding, manufacturing and retailing of apparel and accessories/ Mainland China 投資控股、製造及 銷售服裝及配襯用品/ 中國大陸	
Tiger Enterprises Limited 虎威企業有限公司	Hong Kong 香港	100	100	1,000 ordinary shares of HK\$1 each, 60,000,000 non-voting deferred shares of HK\$1 each 一千股 每股面值港幣一元 之普通股、 六千萬股 每股面值港幣一元 之無投票權遞延股	Investment holding, trading of garment products and provision of management services/ Mainland China 投資控股、成衣貿易及 提供管理服務/中國大陸	
Walton International Ltd. *	Cayman Islands 開曼群島	100	100	102 ordinary shares of US\$1 each 一百零二股 每股面值一美元 之普通股	Licensing of trademarks 批授商標專利權	

財務報表附註

December 31, 2007 二零零七年十二月三十一日

34. PRINCIPAL SUBSIDIARIES (continued)

34.主要附屬公司(續)

Name of subsidiary 附屬公司名稱	Place of incorporation 成立地點	percer equity 持有	ctive ntage of holding 股份之 百分率	Issued and fully paid share capital or registered capital 已發行及全數繳足 股本或註冊資本	Principal activities/ place of operation 主要業務/經營地區
		2007	2006		
深圳亮志服裝 有限公司*(附註)	Mainland China 中國大陸	51	51	HK\$5,000,000 港幣五百萬元	Manufacturing of apparel/ Mainland China 經營生產服裝/ 中國大陸
東莞亮智服裝 有限公司 * (附註)	Mainland China 中國大陸	51	51	HK\$10,000,000 港幣一千萬元	Manufacturing and trading of apparel/Mainland China 經營生產及銷售服裝/中國大陸

Note: These are wholly foreign owned enterprises.

subsidiaries held indirectly

附註: 此等公司為外商獨資企業。

間接持有之附屬公司

35. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on March 28, 2008.

35.財務報表通過

本年度財務報表已於二零零八年三月二十八日獲董事會 通過。

購股權資料

SHARE OPTION SCHEME

Summary of the share option scheme of the Company (the "Scheme") is as follows:

(1) Purpose

As incentives or rewards for the contribution or potential contribution to the Group from the selected eligible persons.

(2) Eligible persons

- (i) (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of, or
 - (b) any individual for the time being seconded to work for;
 - any member of the Group or any controlling shareholder or any company controlled by a controlling shareholder; or
- (ii) any holder of any securities issued by any member of the Group or any controlling shareholder or any company controlled by a controlling shareholder; or
- (iii) any member of the Group or any controlling shareholder or a company controlled by a controlling shareholder:
 - (a) any business or joint venture partner, franchisee, contractor, agent or representative of,
 - (b) any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to,
 - (c) any supplier of goods or services to,
 - any customer of, or
 - any landlord or tenant (including any sub-tenant) of;

and, for the purposes of the Scheme, shall include any company controlled by one or more persons belonging to any of the above classes of eligible persons.

購股權計劃

本公司購股權計劃(「該計劃」)之摘要如下:

(1) 目的

該計劃旨在鼓勵及獎勵對本集團作出貢獻或 將可作出貢獻之選定合資格人十。

(2) 合資格人士

- (i) (a) 任何董事或擬委任董事(不論是執行 或非執行,包括任何獨立非執行董 事)、僱員或擬聘請之僱員(不論是全 職或兼職),或
 - (b) 其時借調之任何人;

而屬於本集團任何成員或任何控股股東或 由控股股東控制之任何公司;或

- (ii) 持有本集團任何成員或任何控股股東或任 何控股股東控制公司所發行之任何證券之 持有人;或
- (iii) 本集團任何成員或任何控股股東或由控股 股東控制之任何公司的:
 - (a) 任何業務或合作伙伴、特許經營權 受讓人、承包商、代理或代表,
 - (b) 仟何人十或個體提供研究、發展或 其他技術支援或任何諮詢、顧問、 專業或其他服務,
 - (c) 任何貨品或服務供應商,
 - (d) 任何客戶,或
 - (e) 任何業主及租客(包括分租租客);

並就該計劃而言,將包括由一位或多位 隸屬以上任何合資格人士所控制之任何 公司。

購股權資料

(3) Maximum number of shares

As at March 28, 2008, the maximum number of shares available for issue is 103,278,851, representing approximately seven percent of the issued share capital of the Company.

(4) Maximum entitlement of each eligible person

The maximum number of shares issued and to be issued upon exercise of options granted under the Scheme and any other share option schemes of the Company to any eligible person (including canceled, exercised and outstanding options), in any 12-month period up to the date of grant shall not exceed one percent of the shares in issue.

(5) Time of exercise of option

An option may be exercised in accordance with the terms of the Scheme at any time during a period commencing on such date on or after the date on which the option is granted as the directors may determine in granting the option and expiring at the close of business on such date as the directors may determine in granting the option but in any event shall not exceed ten years from the date of grant (which is the date of offer of grant if the offer for the grant of the option is accepted).

(6) Acceptance of offers

An offer for the grant of options must be accepted within 30 days inclusive of the day on which such offer was made. The amount payable on acceptance of the offer for the grant of an option is HK\$1.00.

(3) 股份數目上限

於二零零八年三月二十八日,可發行之股份數目 上限為一億三百二十七萬八千八百五十一股, 約相等於本公司已發行股份之百分之十。

(4) 每位合資格人士可獲授權益上限

每位合資格人十在任何十二個月內(首至授出 購股權當日止),根據該計劃及本公司任何其他 購股權計劃獲授之購股權(包括已計銷、已行使 及尚未行使之購股權)予以行使時,所發行及 將發行之股份上限不得超過本公司已發行股份 之百分之一。

(5) 購股權行使期

購股權可根據該計劃條款之規定,於董事授出 購股權時,決定授出之購股權當日或其後日子 開始行使, 直至董事授出購股權時已決定之日期 營業時間結束時屆滿;惟於任何情況下,由授 出購股權當日(即提出授出購股權要約當日, 而該購股權要約獲接受) 起計不可超過十年。

(6) 接受授出購股權之要約

購股權獲授人接受授出購股權之要約,必須於 提出要約之日起三十日內(包括提出要約當日) 接受有關之要約。於接受授出購股權之要約時, 須繳付港幣 一元。

購股權資料

(7) Basis of determining the option exercise price

The option price per share payable on the exercise of an option is to be determined by the directors provided always that it shall be at least the higher of:

- the closing price of the shares on the date of offer;
- (ii) the average closing price of the shares for the five business days immediately preceding the date of offer; and
- (iii) the nominal amount of a share.

(8) The remaining life of the Scheme

The Scheme remains in force until January 24, 2012.

(7) 釐定購股權行使價之基準

行使購股權時須予支付之每股股份之購股權價 將由董事決定,惟購股權價須以下列較高者 釐定:

- 要約授出購股權當日之股份收市價;
- (ii) 緊接要約授出購股權當日前五個交易日 之平均收市價;及
- (iii) 每股股份之面值。

(8) 該計劃尚餘之有效期

該計劃有效期至二零一二年一月二十四日屆滿。

購股權資料

MOVEMENT OF SHARE OPTIONS

購股權之變動

During the year, movements of the Company's share options are 於本年度內,本公司購股權之變動詳情載列如下: set out below:

Number of share options

矔	股	權	數	E

	購股權數目							
				Canceled/				
	Balance as at	Granted	Exercised	lapsed	Balance as at			
	01/01/2007	during	during	during	12/31/2007	Exercise		
	於二零零七年	the year	the year	the year	於二零零七年	price		
Eligible person	一月一日	於本年度內	於本年度內	於本年度內	十二月三十一日	per share	Date of grant	Exercisable period
合資格人士	之結餘	授出	行使	註銷/失效	之結餘	每股行使價	授出日期	行使期
						HK\$	(MM/DD/YYYY)	(MM/DD/YYYY)
						港元	(月/日/年)	(月/日/年)
Director								
董事								
FUNG Wing Cheong, Charles	1,666,000	_	_	_	1,666,000	4.650	04/08/2002	04/08/2003 - 04/07/2012
馮永昌	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2004 - 04/07/2012
	1,668,000	_	_	_	1,668,000	4.650	04/08/2002	04/08/2005 - 04/07/2012
	5,000,000	-	-	-	5,000,000			
MAH Chuck On, Bernard	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2003 - 04/07/2012
馬灼安	1,666,000	-	-	-	1,666,000	4.650	04/08/2002	04/08/2004 - 04/07/2012
	1,668,000	-	_	_	1,668,000	4.650	04/08/2002	04/08/2005 - 04/07/2012
	5,000,000	-	-	-	5,000,000			

購股權資料

MOVEMENT OF SHARE OPTIONS (continued)

購股權之變動(續)

Number of share options 購股權數目

Eligible person 合資格人士	Balance as at 01/01/2007 於二零零七年 一月一日 之結餘	Granted during the year 於本年度內 授出	Exercised during the year 於本年度內 行使	Canceled/ lapsed during the year 於本年度內 註銷/失效	Balance as at 12/31/2007 於二零零七年 十二月三十一日 之結餘	Exercise price per share 每股行使價	Date of grant 授出日期	Exercisable period 行使期
						HK\$	(MM/DD/YYYY)	(MM/DD/YYYY)
						港元	(月/日/年)	(月/日/年)
Continuous Contract	1,940,000	-	_	848,000	1,092,000	4.650	04/08/2002	04/08/2003 - 04/07/2012
Employees	2,158,000	-	-	878,000	1,280,000	4.650	04/08/2002	04/08/2004 - 04/07/2012
連續合約僱員	2,402,000	-	-	1,010,000	1,392,000	4.650	04/08/2002	04/08/2005 - 04/07/2012
	666,000	-	-	333,000	333,000	2.795	02/05/2003	02/05/2004 - 02/04/2013
	666,000	-	-	333,000	333,000	2.795	02/05/2003	02/05/2005 - 02/04/2013
	836,000	-	-	334,000	502,000	2.795	02/05/2003	02/05/2006 - 02/04/2013
	444,000	-	96,000	26,000	322,000	2.650	06/10/2003	06/10/2004 - 06/09/2013
	606,000	-	134,000	66,000	406,000	2.650	06/10/2003	06/10/2005 - 06/09/2013
	1,310,000	-	410,000	88,000	812,000	2.650	06/10/2003	06/10/2006 - 06/09/2013
	64,000	-	-	-	64,000	2.785	08/20/2003	08/20/2004 - 08/19/2013
	4,000	-	-	-	4,000	2.785	08/20/2003	08/20/2005 - 08/19/2013
	6,000	-	-	-	6,000	2.785	08/20/2003	08/20/2006 - 08/19/2013
	22,000	-	-	16,000	6,000	3.300	09/19/2003	09/19/2004 - 09/18/2013
	54,000	-	10,000	22,000	22,000	3.300	09/19/2003	09/19/2005 - 09/18/2013
	78,000	-	10,000	22,000	46,000	3.300	09/19/2003	09/19/2006 - 09/18/2013
	132,000	-	-	132,000	_	4.150	01/27/2004	01/27/2005 - 01/26/2014
	198,000	-	-	198,000	_	4.150	01/27/2004	01/27/2006 - 01/26/2014
	204,000	-	-	204,000	_	4.150	01/27/2004	01/27/2007 - 01/26/2014
	1,082,000	-	-	402,000	680,000	4.500	06/16/2004	06/16/2005 - 06/15/2014
	1,272,000	-	-	590,000	682,000	4.500	06/16/2004	06/16/2006 - 06/15/2014
	1,280,000	-	-	592,000	688,000	4.500	06/16/2004	06/16/2007 - 06/15/2014
	10,000	-	-	10,000	_	4.850	07/07/2004	07/07/2005 - 07/06/2014
	10,000	-	-	10,000	_	4.850	07/07/2004	07/07/2006 - 07/06/2014
	10,000	-	-	10,000	-	4.850	07/07/2004	07/07/2007 - 07/06/2014
	28,000	-	-	-	28,000	4.235	08/17/2004	08/17/2005 - 08/16/2014
	34,000	-	-	-	34,000	4.235	08/17/2004	08/17/2006 - 08/16/2014
	1,000,000	-	-	-	1,000,000	4.305	09/30/2004	09/30/2004 - 09/29/2014
	316,000	-	-	52,000	264,000	4.875	12/30/2004	12/30/2004 - 12/29/2014
	-	2,692,000	-	-	2,692,000	3.896	11/27/2007	11/27/2008 - 11/26/2017
	-	2,692,000	-	-	2,692,000	3.896	11/27/2007	11/27/2009 - 11/26/2017
		2,814,000	_	_	2,814,000	3.896	11/27/2007	11/27/2010 - 11/26/2017
	16,832,000	8,198,000	660,000	6,176,000	18,194,000			
Others	1,680,000	-	_	40,000	1,640,000	4.150	01/27/2004	01/27/2005 - 01/26/2014
其他	1,880,000	_	_	20,000	1,860,000	4.975	12/29/2004	12/29/2004 - 12/28/2014
	3,560,000	-	-	60,000	3,500,000			
Total								
合計	30,392,000	8,198,000	660,000	6,236,000	31,694,000			

購股權資料

MOVEMENT OF SHARE OPTIONS (continued)

Notes:

- 1. The weighted average closing price of the shares immediately before the date on which the options were exercised by the Continuous Contract Employees was HK\$3.74.
- 2. The market value per share as at December 31, 2007 was HK\$3.74.
- 3. The closing price of the shares immediately before November 27, 2007, being the date of grant of the 8,198,000 share options, was HK\$3.84.

VALUATION OF SHARE OPTIONS

The fair value per share option granted during the financial year 2007 was HK\$0.44. The fair value of each option granted was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate: 3.9 percent, being the approximate yield of

ten-year Exchange Fund Note on the grant

date

Expected dividend : average historical dividends of 26.5 HK cents

per share

Expected volatility : 32.0 percent based on historical volatility

Expected life : ten years

The Black-Scholes option pricing model is developed to estimate the fair value of publicly traded options that have no vesting restrictions and are fully transferable. In addition, such option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions may materially affect the estimation of the fair value of an option.

購股權之變動(續)

附註:

- 1. 連續合約僱員已行使之購股權於緊接行使日前 之加權平均股份收市價為港幣三元七角四仙。
- 2. 於二零零七年十二月三十一日之每股市價為 港幣三元七角四仙。
- 3. 於二零零七年十一月二十七日授出之 八百一十九萬八千股購股權,其購股權授出日 前一天之收市價為港幣三元八角四仙。

購股權價值

於二零零七年財政年度授出之購股權之每股公平 價值為港幣四角四仙。該公平價值乃採用柏力克• 舒爾斯期權定價模式,並於授出日採用以下之假設 數據計算:

無風險利率 : 百分之三點九(於授出日之

十年期外匯基金債券的大約

孳息)

預期股息 : 歷史股息平均每股為港幣

二角六仙半

預期波幅 : 歷史波幅為百分之三十二

預期有效期 : 十年

柏力克 ● 舒爾斯期權定價模式的設計旨在評估並無 授出限制且可以自由轉讓之公開買賣期權之公平 價值。此外,該期權定價模式亦須視乎若干高度主觀 假設數據,包括預期股價波幅。任何主觀假設數據 倘出現任何變動均會對購股權之公平價值造成重大 影響。

NOTICE OF ANNUAL GENERAL MEETING 股東週年大會通告

NOTICE IS HEREBY GIVEN that the annual general meeting of Giordano International Limited (the "Company") will be held at Block B, 3rd Floor, Tin On Industrial Building, 777-779 Cheung Sha Wan Road, Kowloon, Hong Kong on Wednesday, May 14, 2008 at 9:30 a.m. for the following purposes:

茲通告佐丹奴國際有限公司(「本公司」) 謹訂於 二零零八年五月十四日(星期三)上午九時三十分 假座香港九龍長沙灣道十十十至十十九號天安工業 大廈三樓B座舉行股東週年大會,議程如下:

As ordinary business:

- 1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended December 31, 2007;
- 一、省覽截至二零零十年十二月三十一日止年度之 經審核財務報表及董事會與核數師報告書;
- To declare a final dividend for the year ended December 31, 2007;
- 二、宣布派發截至二零零七年十二月三十一日止年 度之末期股息;
- To declare a special final dividend for the year ended December 31, 2007;
- 三、宣布派發截至二零零七年十二月三十一日止年 度之特別末期股息;

To re-elect the retiring director;

四、重選退任董事;

作為普诵事項:

- To re-appoint the auditor and authorize the directors to fix its remuneration:
- 五、重新委聘核數師及授權董事會釐定其酬金;

As special business:

作為特別事項:

To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

六、考慮並酌情通過或經修訂後通過下列決議案為 普通決議案:

"THAT:

「動議:

- a general mandate be and is hereby unconditionally given to the directors of the Company during the Relevant Period to allot, issue or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power, subject to the following conditions:
- (I) 無條件授予本公司董事一項一般性授權, 可於有關期間內配發、發行或處理本公司 股本中之額外股份,並作出或授予可能須 行使該等權力之建議、協議及購股權, 惟須符合下列條件:
- (a) such mandate shall not extend beyond the Relevant Period save that the directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the end of the Relevant Period; and
- (a) 該項授權之有效期不可超越有關 期間,惟本公司董事可在有關期間 內作出或授予可能於有關期間內或 屆滿後行使該等權力之建議、協議 及購股權;及

股東调年大會誦告

- (b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the directors of the Company pursuant to such mandate, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of any option under any share option scheme of the Company adopted by its shareholders for the grant or issue to eligible persons options to subscribe for or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar scheme implemented in accordance with the Bye-Laws of the Company, shall not exceed ten percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

(II) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares on its Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognized regulatory body or stock exchange in any territory outside Hong Kong).";

(II) 就本決議案而言:

「有關期間」乃指本決議案獲通過之日 起至下列最早日期止之期間:

- (a) 本公司下屆股東週年大會結束;
- (b) 依照本公司細則或百慕達適用之 法例規定本公司須召開下屆股東週年 大會之期限屆滿之日;及
- (c) 本公司股東於股東大會上通過普通 決議案撤銷或修訂本決議案所給予 之授權。

「供股」乃指本公司董事於指定期間內向於指定記錄日期名列股東名冊之股份持有人,按照其當時之持股量比例向彼等提出之股份發售建議(惟本公司董事有權就零碎股權或根據任何香港以外地區之法例或任何認可管制機構或任何證券交易所之規定的限制或責任,而作出其認為必須或權宜之豁免或其他安排)。」:

股東调年大會涌告

To consider and, if thought fit, pass, with or without modifications, 七、考慮並酌情通過或經修訂後通過下列決議案為 the following resolution as an Ordinary Resolution:

普通決議案:

"THAT:

- a general mandate be and is hereby unconditionally given to the directors of the Company during the Relevant Period to exercise all powers of the Company to purchase shares in the capital of the Company subject to the following conditions:
 - (a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other applicable stock exchange; and
 - (b) the aggregate nominal amount of shares in the share capital of the Company which may be purchased pursuant to such mandate shall not exceed ten percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and
- for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."; and

「動議:

- (I) 無條件授予本公司董事一項一般性授權, 可於有關期間內行使本公司一切權力 購回本公司股本中之股份,惟須符合下列 條件:
 - (a) 根據該項授權行使一切權力,惟須 遵守所有適用法例及香港聯合交易所 有限公司證券上市規則或任何其他 適用之證券交易所規定;及
 - (b) 本公司依據上述授權而購回之本公司 股本中之股份面值總額,不得超過 本公司於通過本決議案當日已發行 股本面值總額之百分之十;及
- (Ⅲ) 就本決議案而言:

「有關期間」乃指本決議案獲通過之日起至 下列最早日期止之期間:

- (a) 本公司下屆股東週年大會結束;
- (b) 依照本公司細則或百慕達適用之法例 規定本公司須召開下屆股東週年大會 之期限屆滿之日; 及
- (c) 本公司股東於股東大會上通過普通 決議案撤銷或修訂本決議案所給予 之授權。」;及

股東调年大會涌告

To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:

"THAT subject to the passing of the above resolutions numbered 6 and 7, the general mandate granted to the directors of the Company to allot, issue, or otherwise deal with additional shares of the Company during the Relevant Period (as defined in that resolution) be and is hereby extended by the addition to the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company purchased by the directors of the Company pursuant to their exercise of the powers of the Company to purchase such shares, provided that such amount shall not exceed ten percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.".

八、考慮並酌情通過或經修訂後通過下列決議案為 普通決議案:

> 「動議在上述第六項及第七項決議案獲通過 後,批准本公司董事擴大獲授予在有關期間 (按該決議案之定義)配發、發行或處理本公司 之額外股份之一般授權,使根據該項一般授權可 配發、發行或處理之本公司股份面值總額增加, 而加幅等於本公司董事行使本公司權力所購回 之股份面值總額,惟該增幅不可超逾本公司於 通過本決議案當日已發行股本面值總額之百分 之十。|。

By Order of the Board YUNG Mei Yee Company Secretary

Hong Kong, April 16, 2008

Notes:

- A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a shareholder of the Company.
- To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority must be deposited at the Company's branch share registrars in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.

承董事會命 翁美儀

公司秘書

香港,二零零八年四月十六日

附註:

- 凡有權出席上文通告所召開之大會並於大會上 (i) 投票之股東,均有權委派一位或以上之代表代其 出席會議,並於按點算股數方式表決時代其投票。 受委代表毋須為本公司股東。
- (ii) 代表委任表格連同經簽署之授權書或其他授權 文件(如有)或經由公證人簽署證明該等授權書 或授權文件之副本,最遲須於大會或其任何續會 指定舉行時間四十八小時前送達本公司於香港 之股份過戶登記分處卓佳雅柏勤有限公司,地址 為香港灣仔皇后大道東二十八號金鐘滙中心二十六 樓,方為有效。

股東调年大會涌告

- (iii) The Register of Members of the Company will be closed from Friday, May 9, 2008 to Wednesday, May 14, 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final and special final dividends (which will be payable on or about Monday, May 19, 2008), all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Thursday, May 8, 2008.
- (iv) In relation to the above resolution numbered 4, Mr. KWONG Ki Chi and Mr. AU Man Chu, Milton will retire by rotation at the annual general meeting pursuant to the Bye-Laws of the Company. Mr. AU Man Chu. Milton will not offer himself for re-election whereas Mr. KWONG Ki Chi, being eligible, will offer himself for reelection at the annual general meeting. Information of a Retiring Director Proposed to be Re-elected which contains requisite details of the retiring director to be re-elected is appended to this annual report.
- (v) In relation to the above resolutions numbered 6 and 7, approval is being sought from shareholders for a general mandate to be given to the directors of the Company to allot new shares and to repurchase shares of the Company.
- (vi) In relation to the above resolution numbered 8, approval is being sought from shareholders for an extension of the general mandate sought to be granted to the directors of the Company to allot shares by adding to it the number of shares which shall have been repurchased under the authority granted pursuant to resolution numbered 7 of this notice.
- (vii) An Explanatory Statement which contains important information concerning the above resolution numbered 7 is appended to the annual report.
- (viii) Pursuant to Bye-Law 70 of the Bye-Laws, a poll may be demanded by: (a) the chairman of such meeting; (b) at least three shareholders present in person or in the case of a shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; (c) a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; or (d) a shareholder or shareholders present in person or in the case of a shareholder being a corporation by its duly authorized representative or by proxy and holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

- (iii) 本公司將由二零零八年五月九日(星期五)至 二零零八年五月十四日(星期三)(首尾兩天包括 在內) 暫停辦理股份過戶登記手續。為確定有權 收取擬派之末期及特別末期股息(派發日期約為 二零零八年五月十九日(星期一)),所有過戶文 件連同有關股票最遲須於二零零八年五月八日 (星期四)下午四時三十分前送達本公司於香港 之股份過戶登記分處卓佳雅柏勤有限公司, 地址為香港灣仔皇后大道東二十八號金鐘滙中心 二十六樓,辦理登記手續。
- (iv) 上述第四項決議案,根據本公司細則, 鄺其志 先生及歐文柱先生將於股東週年大會上輪值 告退。歐文柱先生無意膺選連任,而鄺其志 先生符合資格並願意在股東週年大會上膺選連 任。本年報中的「建議重選退任董事之資料」 詳列了有關重選董事的資料。
- (v) 上述第六項及第七項決議案旨在徵求股東批准 授予本公司董事一般授權配發本公司的股份和 購回本公司的股份。
- (vi) 上述第八項決議案旨在徵求股東批准擴大給予 本公司董事的一般配發股份的授權,以加入本 通告第七項決議案授予的權力而購回的股份 數目。
- (vii) 本年報中的「説明函件」詳列了有關第七項 決議案的資料。
- (viii) 根據細則第七十條,下列人士可要求按點算股數 方式進行表決:(a)有關大會主席;或(b)最少 三名親身出席大會並有權於會上投票之股東 (或如為公司,則為其正式授權之代表)或受委 代表;或(c)任何親身出席大會並合共佔所有 有權於大會上投票之股東之總投票權不少於 十分之一之一名或多名股東(或如為公司,則 為其正式授權之代表) 或受委代表;或(d)任何 親身出席大會並持有附有權利可出席大會並於 會上投票之股份(已繳足股款數額相當於但不 少於所有該等股份之繳足股款總額十分之一) 之一名或多名股東(或如為公司,則為其正式 授權之代表)或受委代表。

説明函件

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of the following information, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the following information.

香港聯合交易所有限公司對下列資料的內容概不 負責,對其準確性或完整性亦不發表任何聲明,並 明確表示概不就因下列全部或任何部分內容而產生 或因倚賴該等內容而引致的仟何損失承擔仟何責仟。

SHARE REPURCHASE MANDATE

The following is the explanatory statement, as required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), to provide information to shareholders of Giordano International Limited (the "Company") for their consideration of the proposed granting of a general mandate to the Company's directors (the "Directors") to repurchase shares of the Company (the "Share Repurchase Mandate"). The Share Repurchase Mandate, upon obtaining shareholders' approval at the Company's annual general meeting to be held on May 14, 2008 (the "2008 Annual General Meeting"), gives a general authority to the Directors to repurchase, at any time until the next annual general meeting of the Company or such earlier period as stated in the relevant resolution, the issued and fully paid ordinary shares of HK\$0.05 each in the capital of the Company (the "Shares"), up to a maximum of ten percent of its issued share capital at the date of passing of the relevant resolution.

(A) Proposed Share Repurchase Mandate

It is proposed that the Directors may exercise the powers of the Company to repurchase up to ten percent of the Shares in issue as at the date of passing of the resolution to approve the granting to the Directors the Share Repurchase Mandate. As at March 28, 2008, being the latest practicable date prior to the printing of this annual report (the "Latest Practicable Date"), the number of Shares in issue was 1,491,538,518 Shares. Subject to the passing of the proposed resolution for approving the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the 2008 Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase up to a limit of 149,153,851 Shares.

(B) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders of the Company to repurchase Shares in the market. A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such repurchase will benefit the Company and its shareholders.

購回股份授權

以下説明函件乃遵照香港聯合交易所有限公司 (「聯交所」)證券上市規則(「上市規則」)向佐丹奴 國際有限公司(「本公司」)股東提供資料,以便股東 考慮是否批准授予本公司董事(「董事」)一般性授 權購回本公司股份(「購回股份授權」)。倘若購回股 份授權在本公司擬於二零零八年五月十四日舉行之 股東週年大會(「二零零八年股東週年大會」) ト獲得 通過,董事將獲得一般性授權,以便在直至本公司 下屆股東週年大會或在相關普通決議案中所列明之 較早期間內,隨時購回本公司股本中已發行並全數 繳付之每股面值港幣五仙之普通股股份(「股份」), 最多不超過於決議案通過當日本公司已發行股本之 百分之十。

(A) 建議購回股份授權

建議董事可行使本公司之權力購回之股份數目 不得超過購回股份授權決議案通過之日本公司 已發行股份之百分之十。於二零零八年三月 二十八日,即本年報付印之前最後可行日期 (「最後可行日期」),本公司已發行股份數目為 十四億九千一百五十三萬八千五百一十八股。 倘若購回股份授權之決議案獲通過,並假定 本公司於二零零八年股東週年大會舉行前再無 發行或購回股份之情況下,本公司根據購回 股份授權可購回最多一億四千九百一十五萬 三千八百五十一股股份。

(B) 購回原因

董事深信倘若股東授予董事該一般性授權在 市場購回股份,可為本公司及其股東帶來最佳 利益。董事根據市場實況及資金安排,並認為 該購回股份可增加本公司資產淨值及/或每股 盈利以及對本公司及其股東有裨益時,才會 進行。

説明承件

(C) Funding of Repurchases

Repurchases must be funded out of funds legally available for such purposes in accordance with the laws of Bermuda and the Memorandum of Association and Bye-Laws of the Company. The Directors propose that repurchases of Shares under the Share Repurchase Mandate would be financed from the Company's internal resources or existing banking facilities.

Whilst the Share Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited financial statements for the year ended December 31, 2007, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

(D) Share Prices

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange in each of the previous 12 months were as follows:

(C) 購回之資金

購回任何股份所需之資金,必須是依據百慕達 法例及本公司組織章程大綱及細則所規定可 合法使用於該用途之資金。董事建議根據購回 股份授權而作出之股份購回將由本公司之內部 資源或現有之銀行信貸支付。

對比本公司於其截至二零零十年十二月 三十一日止年度之經審核財務報表所披露之 狀況而言,購回股份授權倘若全面付諸實行, 可能會對本公司之營運資金或負債情況有重大 之不利影響,惟董事祇在彼等認為行使該授權 並不會導致此等重大不利影響之情形下才會行 使是項權力。

(D) 股價

過去十二個月每月在聯交所錄得每股股份之 最高及最低價如下:

		Highest	Lowest
		最高	最低
		HK\$	HK\$
		港元	港元
2007	二零零七年		
March	三月	3.820	3.320
April	四月	4.180	3.710
May	五月	3.950	3.250
June	六月	4.120	3.630
July	七月	3.920	3.410
August	八月	3.800	3.150
September	九月	4.000	3.740
October	十月	3.900	3.510
November	十一月	4.070	3.570
December	十二月	3.740	3.430
2008	二零零八年		
January	一月	3.950	3.060
February	二月	3.350	3.030

説明承件

(E) General Information

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules. the laws of Bermuda and the Memorandum of Association and Bye-Laws of the Company.

None of the Directors nor (to the best of their knowledge having made all reasonable enquiries) their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company under the Share Repurchase Mandate if such is granted by the shareholders.

No other connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Share Repurchase Mandate is granted by the shareholders.

During the six months prior to the Latest Practicable Date, the Company has not repurchased any Shares whether on the Stock Exchange or otherwise.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Share Repurchase Mandate, such increase will be treated as an acquisition for the purpose of The Codes on Takeovers and Mergers and Share Repurchases. As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of The Code on Takeovers and Mergers.

(E) 一般資料

董事已向聯交所作出承諾,將根據上市規則、 百慕達法例及本公司組織章程大綱及細則, 按照購回股份授權行使本公司購回股份之權力。

董事或(於進行一切合理查詢後據彼等所知) 其聯繫人(按上市規則定義)目前概無意於股 東授予董事購回股份授權後按該授權出售任何 股份予本公司。

本公司現時並無接獲本公司之關連人士(按 上市規則定義) 通知,彼等目前有意於股東授 予董事購回股份授權後,出售股份予本公司, 或已承諾不會向本公司出售股份。

於最後可行日期前六個月內,本公司概無在 聯交所或以其他方式購回任何股份。

倘若因本公司根據購回股份授權行使購回 股份之權力,而使股東所佔本公司投票權比 例增加,則根據公司收購、合併及股份購回 守則,該項增加將被視作一項收購。因此, 某股東或一群一致行動之股東可取得或鞏固 公司控制權,則須根據公司收購及合併守則 第二十六條及第三十二條提出強制收購建議。

説明函件

Approximate

The interests or short positions of the following shareholders in the shares or underlying shares of the Company which have been disclosed to the Company, at the Latest Practicable Date, pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") and have been recorded in the register kept by the Company pursuant to section 336 of the SFO; together with the respective total interests would be increased in the event that the Directors exercise in full the Share Repurchase Mandate:

下列股東於最後可行日期已根據證券及期貨條例 (「該條例」)第XV部第二及第三分部向本公司 披露,並已根據該條例第三百三十六條列入 記錄於本公司存置之登記冊,擁有本公司之股 份或相關股份之權益或淡倉,及倘若董事行使 全部權力購回股份,則各股東於本公司之股本 權益會增加如下:

Name 名稱	No. of shares 股份數目	Approximate percentage of interests 權益百分率概約	percentage of interests if the Share Repurchase Mandate is exercised in full 若行使全部 購回股份授權之權益百分率概約
Aberdeen Asset Management Plc and its associates	219,420,018	14.71%	16.35%
Tang Yu Ming, Nelson 湯毓銘	93,288,000	6.25%	6.95%
Sanderson Asset Management Limited	90,600,000	6.07%	6.75%
Franklin Resources, Inc.	83,857,058	5.62%	6.25%
Matthews International Capital Management, LLC	75,113,000	5.04%	5.60%

Accordingly, the Directors are not aware of any consequences which may arise under The Code on Takeovers and Mergers as a result of any repurchase made under the Share Repurchase Mandate.

因此,董事並不知悉,任何因根據購回股份 授權購回股份,而就公司收購及合併守則而言 可能出現之情況。

INFORMATION OF A RETIRING DIRECTOR PROPOSED TO BE RE-ELECTED 建議重選退任董事之資料

In accordance with the Bye-Laws of the Company, Mr. KWONG Ki Chi, Director of the Company, will retire from office at the 2008 annual general meeting and will offer himself for re-election. The following is the brief biographical particular of this Director for the shareholders' information:

根據本公司細則,本公司董事鄺其志先生將於 二零零八年股東週年大會上退任, 並均願膺選連 任。以下乃該董事之個人資料簡介供股東參考:

Mr. KWONG Ki Chi. GBS, JP (Independent Non-executive Director). aged 57, joined the Company as an Independent Non-executive Director on April 26, 2004 and is a member of the Audit Committee of the Company. Mr. Kwong graduated from The University of Hong Kong with a Bachelor of Science degree in Physics and Mathematics and was awarded a Master of Philosophy degree in Economics and Politics of Development by the University of Cambridge, England. He has served in the Government of Hong Kong for 27 years and held positions principally in the economic and financial fields. He was the Secretary for the Treasury from 1995 to 1998, with responsibility for the public finances, and Secretary for Information Technology and Broadcasting from 1998 to March 2000, with responsibility for information technology, telecommunications and broadcasting. He left the Government of Hong Kong Special Administrative Region in March 2000 to join the Hong Kong Exchanges and Clearing Limited as executive director and first Chief Executive, following the demutualization and merger of the Stock Exchange of Hong Kong, the Hong Kong Futures Exchange and their associated clearing houses and retired in April 2003. From January to June 2004, Mr. Kwong was the managing director of Hsin Chong International Holdings Ltd.. He was a non-executive director of Hsin Chong Construction Group Ltd. ("Hsin Chong") from August 2004 to August 2007 and Synergis Holdings Limited ("Synergis") from September 2004 to September 2007, the shares of both Hsin Chong and Synergis are listed on the Stock Exchange of Hong Kong. Prior to acting as a non-executive director of Hsin Chong and Synergis, he was an alternate director of Hsin Chong from January to August 2004 and Synergis from January to September 2004. Mr. Kwong was also an independent non-executive director of CDC Corporation, a NASDAQ listed company, from June 2003 to September 2005 and the managing director of Hongkong Sales (Int'I) Limited from July 2004 to July 2006. He is currently an executive director of Macau Legend Development Ltd., a company based in Macau and engaged in the leisure industry.

鄘其志先生,GBS,JP (獨立非執行董事),現年 五十七歲,於二零零四年四月二十六日加入本公司 為獨立非執行董事,彼亦為本公司審核委員會成 員。鄺先生持有香港大學物理及數學理學士學位, 亦在英國劍橋大學獲取經濟及政治發展 (Economics and Politics of Development) 哲學碩士 學位。彼在香港政府服務二十七年,主要擔任 經濟及金融事務之職位。彼於一九九五年 至一九九八年擔任庫務司/庫務局局長, 主要負責公共財政事務,及於一九九八年至 二零零零年三月擔任資訊及廣播局局長,主 要負責資訊科技、電信及廣播事務。隨著 香港聯合交易所、香港期貨交易所及其相關結算所 改革及合併,彼於二零零零年三月離開香港特別 行政區政府加入香港交易及結算所有限公司擔任 執行董事及首位行政總裁直至二零零三年四月卸任。 於二零零四年一月至六月期間,鄺先生受聘為新昌 國際集團之董事總經理,並分別於二零零四年八月 至二零零七年八月及二零零四年九月至二零零七年 九月期間出任新昌營造集團有限公司(「新昌營造」) 及新昌管理集團有限公司(「新昌管理」)之非執行 董事,該兩間公司均於香港聯合交易所上市。彼於 擔任新昌營造及新昌管理之非執行董事前,曾分別 於二零零四年一月至八月及二零零四年一月至九月 期間出任新昌營造及新昌管理之替代董事。鄺先生 於二零零三年六月至二零零五年九月期間獲委任 為於納斯達克(NASDAQ)上市的CDC Corporation 之獨立非執行董事,並於二零零四年七月至 二零零六年七月期間出任偉新(國際)有限公司之 董事總經理。彼現為於澳門從事娛樂業務的澳門勵 駿創建有限公司之執行董事。

Mr. Kwong is a non-official Justice of the Peace in Hong Kong and has been awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. He holds a number of public service positions, including Vice Patron of The Community Chest of Hong Kong.

鄺先生為香港非官守太平紳士及獲香港特別行政區 政府頒授金紫荊星章。彼亦擔任多項公職,其中包括 香港公益金名譽副會長。

INFORMATION OF A RETIRING DIRECTOR PROPOSED TO BE RE-ELECTED

建議重選银任董事之資料

Mr. Kwong does not have any relationship with any directors, senior management or substantial shareholders of the Company nor hold any other position with the Company and other members of the Group. As at March 28, 2008, he does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

鄺先牛與本公司之仟何董事、高級管理人員或主要 股東概無任何關連, 亦無於本公司或本集團其他公司 擔當任何其他職位。按證券及期貨條例第XV部之 涵義,彼於二零零八年三月二十八日無持有本公司 任何股份之權益。

There is no service contract entered into between the Company and Mr. Kwong. He is appointed for a term of three years and subject to retirement by rotation and re-election pursuant to the Bye-Laws of the Company. He is entitled to receive an annual director's fee of HK\$275,000 which is determined with reference to his duties and responsibilities with the Company and the prevailing market conditions.

本公司與鄺先生之間並無任何服務合約。彼出任 董事的任期為三年, 並須按本公司之細則輪值告 退及膺選連任。彼每年董事酬金為港幣二十七萬 五千元正,該酬金乃根據彼於本公司之職務及職責 及現時市況而釐定。

There is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

彼並無根據香港聯合交易所有限公司證券上市規 則第13.51(2)(h)條至第13.51(2)(v)條須予披露的 資料,亦無涉及根據該等條文須予披露的事宜,且並 無任何本公司股東需要知悉的其他事項。

INFORMATION FOR INVESTORS

投資者參考資料

IMPORTANT DATES

Closure of Register of Members

May 9, 2008 to May 14, 2008 (both days inclusive)

Annual General Meeting

May 14, 2008

Dividends

Interim Dividend : 4.5 HK cents per share Special Interim Dividend 2.0 HK cents per share Paid on September 14, 2007 Proposed Final Dividend 5.0 HK cents per share Proposed Special Final Dividend: 10.0 HK cents per share

Payable on May 19, 2008

STOCK CODE

Stock Exchange of Hong Kong 709 709 HK Bloomberg Reuters 0709.HK

INVESTOR RELATIONS CONTACT

William YUE

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Kowloon, Hong Kong

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777-779 Cheung Sha Wan Road

: investorrelations@giordano.com.hk e-mail

WEBSITE

www.giordano.com.hk

重要日期

暫停辦理股份過戶登記.

二零零八年五月九日至 二零零八年五月十四日 (首尾兩天包括在內)

股東调年大會

二零零八年五月十四日

股息

中期股息 : 每股港幣四點五仙 : 每股港幣二仙 特別中期股息

: 二零零十年九月十四日 派發日期

建議末期股息 : 每股港幣五仙 建議特別末期股息 : 每股港幣一角

建議派發日期 : 二零零八年五月十九日

股份代號

香港聯合交易所 : 709 彭博 : 709 HK : 0709.HK 路诱社

投資者聯絡

虞瑋麟

公司事務及外務總監 佐丹奴國際有限公司

香港九龍

長沙灣道七七七至七七九號

天安工業大廈五樓

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