

經營業績

營業額及股東應佔溢利

本集團於二零零零年之總營業額為3,430,000,000港元，較一九九九年增長11.0%。股東應佔溢利再創新高，達416,000,000港元，較去年上升15.6%。

零售及分銷部門之總銷售營業額為3,220,000,000港元，較一九九九年增長11.5%。

香港零售銷售額增長15.5%，達788,000,000港元（一九九九年：682,000,000港元）。中國大陸市場之增幅更顯著，銷售營業額報712,000,000港元（一九九九年：544,000,000港元），較一九九九年增長30.9%。台灣市場之銷售營業額減少8.6%至871,000,000港元（一九九九年：953,000,000港元），主要因為二零零零年下半年市道低迷及貨幣疲弱所致。其他亞太區市場之總銷售營業額為500,000,000港元，較一九九九年上升13.0%。

本集團經營溢利中，零售及分銷部門之貢獻為345,000,000港元，較一九九九年上升9.2%。

製衣部門之銷售營業額（包括集團內成員間之銷售）達727,000,000港元，較一九九九年增長28.7%。對外客戶之淨銷售額為206,000,000港元，較一九九九年上升2.5%，佔總營業額28.3%（一九九九年：35.6%）。雖然零售及分銷部門是製衣部門之主要客戶，但零售及分銷部門之採購額中僅有25.1%（一九九九年：21.6%）來自製衣部門。

RESULTS OF OPERATIONS

Turnover and Profit Attributable to Shareholders

Group total turnover for 2000 increased by 11.0% to HK\$3.43 billion compared with 1999. Profit attributable to shareholders hit another record high of HK\$416 million, an improvement of 15.6% from last year.

In the Retail and Distribution Division, total sales turnover increased by 11.5% to HK\$3.22 billion compared with 1999.

Hong Kong retail sales grew by 15.5% to HK\$788 million (1999: HK\$682 million). Mainland China market's sales turnover increased more significantly to HK\$712 million (1999: HK\$544 million), up 30.9% from 1999. Taiwan market's sales turnover decreased by 8.6% to HK\$871 million (1999: HK\$953 million), induced by a depressed market sentiment and a weak currency in the second half of 2000. The total sales turnover from other Pacific Region markets was up by 13.0% to HK\$500 million compared with 1999.

The Retail and Distribution Division's contribution to the Group operating profit amounted to HK\$345 million, an improvement of 9.2% compared with 1999.

The Manufacturing Division's sales turnover, including intra-group sales, increased by 28.7% to HK\$727 million compared with 1999. Net sales to outside customers improved by 2.5% to HK\$206 million when compared with 1999, representing 28.3% of its total turnover (1999: 35.6%). Although the Retail and Distribution Division was a major customer of the Manufacturing Division, only 25.1% (1999: 21.6%) of the Retail and Distribution Division's purchases came from the Manufacturing Division.

製衣部門對本集團經營溢利(經綜合調整後)之貢獻達80,000,000港元，佔本集團綜合經營溢利總額之18.8%(一九九九年：10.0%)。製衣部門之經營溢利獲得改善，主要因該部門持續致力精簡業務架構及重組管理層。

雖然製衣部門之營業額及經營溢利貢獻之增加主要源自內部銷售，管理層預料長遠而言其主要業務焦點將轉移至對外客戶。

邊際毛利

在計入零售及分銷部門之1.3個百分點減幅後，邊際毛利較一九九九年上升0.5個百分點。零售及分銷部門之邊際毛利短暫下跌，反映二零零零年春／夏系列服裝之銷售未如理想。

製衣部門之邊際毛利較一九九九年上升8個百分點，主要因為原料控制較佳及分包生產策略收效。此趨勢今後應會持續。

分銷成本及管理與其他經營開支

於二零零零年，分銷成本及管理與其他經營開支合計為1,230,000,000港元，較一九九九年上升7.8%。上述增幅乃屬正常，與營業額增長相配合。其中，廣告及宣傳開支為88,000,000港元，較一九九九年增加29.0%。此乃由於本集團推行連串之地區宣傳計劃，藉以加強本集團品牌之地位。折舊費用亦由一九九九年之71,000,000港元增加至二零零零年之91,000,000港元。

管理層認為，於二零零零年本集團在所有市場均加強品牌宣傳，此等酌情開支顯著上升乃屬恰當。

The Manufacturing Division's contribution to the Group operating profit after consolidation adjustments amounted to HK\$80 million and represented 18.8% (1999: 10.0%) of total Group consolidated operating profit. Operating profit improvements at the Manufacturing Division were mainly due to its continued efforts in the streamlining of operation and the restructuring of management.

Although the increases in the Manufacturing Division's turnover and operating profit contribution were mainly derived from internal sales, Management expects its principal focus to reverse in favour of outside customers over the long run.

Gross margin

Gross margin increased by 0.5 percentage point from 1999 after taking into account a reduction of 1.3 percentage points reported in the Retail and Distribution Division. This temporary decrease reflects an unsuccessful 2000 Spring/Summer collection.

Gross margin from the Manufacturing Division increased by eight percentage points from 1999, due to better material control and the benefits from a subcontracting strategy. This trend should continue into the future.

Distribution Costs and Administrative and Other Operating Expenses

Total distribution costs and administrative and other operating expenses in 2000 increased by 7.8% to HK\$1.23 billion compared with 1999. The increase was normal and in line with turnover increases. Of the above, advertising and promotion expenditure increased by 29.0% to HK\$88 million from the 1999 level. This was due to the launch of a series of region-wide promotional programs to strengthen our brand positioning. Depreciation charges were also increased from HK\$71 million in 1999 to HK\$91 million in 2000.

Management considers significant increases in these discretionary expenditures were appropriate to the strengthening of the brand in all markets during 2000.

現金流量

於二零零零年，本集團從經營活動所得現金流入淨額較一九九九年減少230,000,000港元，主要歸因於存貨、貿易及其他應收賬款增加，而貿易及其他應付賬款則減少所致。

投資回報與融資償還之現金流出淨額於二零零零年增加166,000,000港元，主要因為派付股息236,000,000港元（一九九九年：70,000,000港元）。

二零零零年投資業務之現金流出淨額較一九九九年減少198,000,000港元，主要因為於一九九九年存放一筆長期存款。

二零零零年用於融資活動之現金流出淨額較一九九九年增加64,000,000港元，乃因為購回本公司股份所需之現金流出額達138,000,000港元（一九九九年：4,000,000港元），而所有購回股份均已註銷。融資活動所提供之現金包括根據僱員購股權計劃發行新股份所得資金（二零零零年：87,000,000港元；一九九九年：19,000,000港元）。

流動現金及資金來源

本集團之流動現金狀況一向穩健。於二零零零年十二月三十一日，現金及銀行結餘為748,000,000港元（一九九九年：803,000,000港元）。本集團之營運資金為857,000,000港元，較一九九九年增加12.5%，主要因為存貨、應收賬款及預付款項增加，但部份被較高之應付賬款所抵銷。流動比率處於2.3（一九九九年：2.2）之理想水平。於二零零零年十二月三十一日，本集團之貿易信貸及循環信貸合共728,000,000港元，其中之循環信貸並未動用。

Cash Flows

Net cash inflow from operating activities decreased by HK\$230 million in 2000 compared with 1999. This decrease was mainly attributable to increases in inventories, trade and other receivables, as well as a decrease in trade and other payment liabilities.

Net cash outflow from returns on investments and servicing of finance increased by HK\$166 million during 2000. This was mainly due to dividend payments of HK\$236 million (1999: HK\$70 million).

Net cash outflow in investing activities decreased by HK\$198 million in 2000 compared with 1999, primarily due to a long term deposit which was placed in 1999.

Net cash outflow in financing activities increased by HK\$64 million in 2000 compared with 1999. The change was due to cash outflow for the repurchases of the Company's shares amounting to HK\$138 million (1999: HK\$4 million), all of which were cancelled. Cash provided by financing activities included funds generated from the issuance of new shares under the employee share option scheme (2000: HK\$87 million; 1999: HK\$19 million).

Liquidity and Capital Resources

The Group's liquidity position is consistently sound. Cash and bank balances amounted to HK\$748 million as at December 31, 2000 (1999: HK\$803 million). Working capital of the Group increased by 12.5% to HK\$857 million compared with 1999, primarily resulting from increases in inventories, receivables and prepayment, and partially offset by higher accounts payable. The current ratio was at a healthy level of 2.3 (1999: 2.2). At December 31, 2000, the Group had trade finance and revolving loan facilities totaling HK\$728 million. None of the revolving loan facility was utilized.

於二零零零年年底時，由於預期二零零一年一月將提早展開旺季大傾銷，加上製衣部門擴展業務，本集團之存貨增加65,000,000港元至303,000,000港元。儘管存貨劇增，存貨可供銷售日數仍為32日（一九九九年：28日），符合本集團之長期目標存貨水平。於二零零一年一月底，存貨可供銷售日數則降至22日。

長期融資租賃債務乃從一年前之18,000,000港元減少4,000,000港元。是項未償還之負債以人民幣為貨幣單位，並無對沖，乃用作購買位於中國大陸之租賃土地及樓宇。有關款項每月定額分期償還，年息12厘，直至二零零五年為止。於二零零零年十二月三十一日，本集團總負債達668,000,000港元（一九九九年：654,000,000港元），導致資本負債比率達0.5（一九九九年：0.5）按股東資本1,400,000,000港元（一九九九年：1,250,000,000港元）計算。

於二零零一年一月，本集團購入一項香港物業之租約權益，該物業主要由本集團香港零售業務根據一份租約佔用作為主要門市。200,000,000港元之代價乃由本公司現金儲備中撥付。本公司將繼續佔用該物業之地下及一樓作為本公司於香港黃金商業區之主要零售門市。於二零零一年一月底，本集團尚有現金及銀行結餘約608,000,000港元。

管理層認為，現有財務資源足以應付未來之擴展計劃。倘若出現其他業務機會而需要額外資金，管理層相信本集團將可按有利條款取得融資。

At year-end 2000, the Group's inventory increased by HK\$65 million to HK\$303 million in anticipation of an early seasonal high volume sales in January 2001 and due to an expanded manufacturing operation. Despite the upsurge, inventory turnover on sales stood at 32 days (1999: 28 days), in line with the Group's long-term target inventory level. At the end of January 2001, inventory turnover on sales declined to 22 days.

Long-term finance lease obligations decreased by HK\$4 million from HK\$18 million reported a year earlier. This outstanding liability is denominated in Renminbi and unhedged for the purchase of leasehold land and building in Mainland China. The amount is payable by monthly fixed installments at an interest rate of 12.0% per annum until 2005. As at December 31, 2000, the Group's total liabilities amounted to HK\$668 million (1999: HK\$654 million), resulting in a gearing ratio of 0.5 (1999: 0.5) based on shareholders equity of HK\$1.40 billion (1999: HK\$1.25 billion).

In January 2001, the Group acquired a leasehold interest in a Hong Kong property which had been mainly occupied under a tenancy as a key outlet by the Group's Hong Kong retail operation. The consideration of HK\$200 million was funded out of the Company's cash reserve. The Company will continue to occupy the ground and first floors of the property as a key retail outlet in that prime commercial district of Hong Kong. As of the end of January 2001, the Group's remaining cash and bank balances totaled approximately HK\$608 million.

Management is comfortable that existing financial resources will be sufficient for future expansion plans. Should other opportunities arise requiring additional funding, Management also believes that the Group is in a good position to obtain financing on favorable terms.

於回顧年度內，本集團訂立外匯期貨合約，減低以港元採購產品所產生之匯兌風險。本集團亦透過向本地市場供應商採購若干產品以減低外匯風險。管理層將繼續擴展本地採購之能力，作為本集團部份之對沖策略。

於二零零零年十二月三十一日，本集團有或然負債58,000,000港元(一九九九年：57,000,000港元)。該項或然負債包括發出代替租金及水電按金之保證票據及銀行擔保。

人力資源

於二零零零年十二月三十一日，本集團之僱員總數約7,100人。本集團為其僱員提供優厚之薪酬組合。此外，本集團亦根據集團的業績表現及個人表現向合資格職員授予酌情花紅及購股權。本集團定期進行員工發展、僱員培訓及發展計劃。

During the year under review, the Group had entered into foreign exchange forward contracts to reduce exchange risks arising from sourcing products based on Hong Kong Dollar. The Group was also able to reduce foreign currency exposure by sourcing certain products from suppliers in local markets. Management will continue to extend the local sourcing capability as part of our hedging strategy.

At December 31, 2000, the Group had contingent liabilities of HK\$58 million (1999: HK\$57 million). The contingent liabilities were comprised of guarantee notes and bank guarantees issued in lieu of rental and utility deposits.

HUMAN RESOURCES

As at December 31, 2000, the Group's total number of employees was about 7,100. The Group adopts a competitive remuneration package for its employees. In addition, discretionary bonus and share options may be granted to eligible staff based on the Group's performance and individual performance. On people development, staff training and development programs are conducted on a regular basis.

零售及分銷部門概況

由於區內競爭日趨激烈、經濟復蘇基礎有待鞏固，大多數市場之門市銷售均告輕微下跌，只有中國大陸除外，其門市銷售錄得5.8%增長。

年內本集團之零售店舖組合在扣除結束營業之店舖後共增加180間門市。於二零零零年十二月三十一日，佐丹奴品牌之零售門市共有895間（一九九九年：728間），而Bluestar Exchange品牌之零售門市則有25間（一九九九年：12間）。Bluestar Exchange雖仍在起步階段，但已為本集團提供盈利貢獻。Giordano Ladies自一九九六年推出後，已於女士服裝市場上獨樹一幟，銷售營業額較一九九九年顯著增長75.2%。Giordano Ladies之門市數目已從一年前之13間增至19間。

管理層已採取以下措施加強本集團品牌在便服市場之地位：

- (1) 改良用料質素 — 本集團從供應商採購更優質之布料，令銷售之服裝更物有所值。管理層亦實施企業品質檢定計劃，務求維持更高產品質素。在實施該計劃九個月以來，各方面已有改善，供應商對該品質保證計劃甚表支持。
- (2) 開設大型店舖 — 本集團於香港、台灣、新加坡、馬來西亞及韓國之黃金地段開設大型店舖。此等店舖位於策略性據點，既可加強本集團之品牌形象，同時顯示本集團致力長期投入發展當地便服市場。

HIGHLIGHTS OF THE RETAIL AND DISTRIBUTION DIVISION

Amid increased competition and a fragile economic recovery in the region, most markets reported a slight comparable store sales decline except Mainland China where a 5.8% increase in comparable store sales was registered.

The Group added 180 outlets, net of closures, to its retail portfolio during the year. As of December 31, 2000, there were 895 (1999: 728) retail outlets for the Giordano brand and 25 (1999: 12) retail outlets for the Bluestar Exchange brand. Bluestar Exchange, still in its infancy, provided positive contribution to the Group. Giordano Ladies, launched in 1996, has successfully differentiated itself in the ladies apparel market and reported a remarkable growth of 75.2% in sales turnover when compared with 1999. The number of Giordano Ladies outlets increased to 19 from 13 a year earlier.

Management has taken the following measures to strengthen our brands' position in the casual wear market:

- (1) Improving material quality – The Group has enhanced the value concept by sourcing better quality fabrics from suppliers. Management has also implemented a Corporate Quality Program aimed at maintaining higher product quality. Nine months into its implementation, we have seen improvements and the suppliers are supportive of our quality assurance program.
- (2) Opening mega stores – The Group has opened mega stores in prime locations in Hong Kong, Taiwan, Singapore, Malaysia and Korea. These stores, in strategic locations, serve to reinforce our brand image and our commitment to be a permanent player in the local casual apparel markets.

Management's Discussion and Analysis
of Results of Operations and Financial Condition
管理層對經營業績及財政狀況之論述及分析

台灣

TAIWAN

		2000	1999	1998	1997	1996
銷售淨額(百萬港元)	Net sales (HK\$m)	871	953	710	753	917
每平方呎銷售額(港元) *	Sales per sq. ft. (HK\$) *	5,500	6,000	4,300	4,500	5,700
可比較店舖之銷售額 (減少)/增加之百分率 **	Comparable store sales (decrease)/increase in percentage **	(4%)	31%	(8%)	(9%)	(11%)
零售樓面面積(平方呎) ***	Retail floor area (sq. ft.) ***	184,500	165,700	156,400	168,500	164,400
售貨員數目 ***	Number of sales associates ***	826	827	680	787	800
門市數目 ***	Number of outlets ***	159	178	184	191	173

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之門市

*** 於十二月三十一日

* On weighted average basis

** Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison

*** As at December 31

上半年銷售額錄得17.5%增長，但被下半年市道呆滯所抵銷。消費意慾減低及台幣走勢疲弱，為台灣零售市場在下半年陷入不景的主因。本集團在台灣之業務已進行重大整頓，結束已無利可圖之店舖，於年底，門市數目已減少19間。全年銷售營業額為871,000,000港元，較一九九九年下跌8.6%。在上述跌幅中，4.5%是因為將匯價較弱的新台幣兌換成港元而引致之匯率損失。管理層預料二零零一年之經營情況將有改善。

The 17.5% sales growth in the first half was more than offset by sluggish sales in the second half. Poor consumer sentiment and a weak currency evidently contributed to a depressed retail market in Taiwan in the second half of the year. A major consolidation effort was also taken by our Taiwan operation to weed out outlets which had ceased to be profitable, and the number of outlets decreased by 19 at the end of the year. Annual sales turnover decreased by 8.6% to HK\$871 million compared with 1999. Of this decrease, 4.5% was attributable to the conversion of a weaker New Taiwan Dollar into Hong Kong Dollar. Management anticipates better trading conditions in 2001.

香港

HONG KONG

		2000	1999	1998	1997	1996
銷售淨額(百萬港元)	Net sales (HK\$m)	788	682	588	762	926
每平方呎銷售額(港元)*	Sales per sq. ft. (HK\$)*	7,000	9,400	11,100	16,300	20,400
可比較店舖之銷售額 (減少)/增加之百分率**	Comparable store sales (decrease)/increase in percentage**	(5%)	8%	(22%)	(18%)	(6%)
零售樓面面積(平方呎)***	Retail floor area (sq. ft.)***	127,300	100,000	58,300	51,400	44,400
售貨員數目***	Number of sales associates***	514	441	326	427	463
門市數目***	Number of outlets***	74	61	49	53	47

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之門市

*** 於十二月三十一日

* On weighted average basis

** Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison

*** As at December 31

香港之零售營業額(包括新推出之Bluestar Exchange)增長15.5%至788,000,000港元(一九九九年: 682,000,000港元)。如不計Bluestar Exchange, 佐丹奴香港之營業額錄得1.7%升幅。Giordano Ladies已成功進軍競爭劇烈之女士服裝市場, 備受年輕專業人士及辦公室行政人員歡迎。待Bluestar Exchange及Giordano Ladies品牌在香港建立更鞏固之市場後, 將在其他市場展開大規模銷售推廣。

Hong Kong's retail sales turnover, including the newly launched Bluestar Exchange, increased by 15.5% to HK\$788 million (1999: HK\$682 million). Excluding Bluestar Exchange, Giordano Hong Kong reported a 1.7% increase in turnover. Giordano Ladies has successfully penetrated into the competitive ladies apparel market and is well-received by young professionals and office executives. Both Bluestar Exchange and Giordano Ladies will be further refined in Hong Kong before large-scale roll-outs in other markets.

Management's Discussion and Analysis
of Results of Operations and Financial Condition
管理層對經營業績及財政狀況之論述及分析

中國大陸

MAINLAND CHINA

		2000	1999	1998	1997	1996
銷售淨額(百萬港元)	Net sales (HK\$m)	712	544	513	565	567
每平方米銷售額(港元)*	Sales per sq. ft. (HK\$)*	23,700	22,500	19,800	20,600	20,300
可比較店舖之銷售額 增加/(減少)之百分率**	Comparable store sales increase/(decrease) in percentage**	6%	8%	(21%)	(28%)	(5%)
零售樓面面積(平方呎)***	Retail floor area (sq. ft.)***	40,400	24,700	24,700	29,200	26,900
售貨員數目***	Number of sales associates***	480	350	346	344	302
門市數目	Number of outlets					
— 直接管理***	— directly managed***	30	10	10	10	10
— 特許經營***	— franchised***	327	243	201	160	110

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之門市

*** 於十二月三十一日

* On weighted average basis

** Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison

*** As at December 31

中國大陸之銷售營業額為712,000,000港元，較一九九九年增長30.9%，主要由於擴展零售網絡及改良產品系列後銷售額得以提高所致。於二零零零年十二月三十一日，在中國大陸經營之零售門市有357間（一九九九年：253間）。可比較門市之銷售額較去年增長5.8%。中國大陸即將加入世界貿易組織，對本集團同時帶來挑戰及機會。總括而言，管理層期待中國大陸之服裝市場將出現顯著變化。

Sales turnover in Mainland China increased by 30.9% to HK\$712 million compared with 1999. The increase was due to higher sales from the expanded retail network as well as improved product lines. As of December 31, 2000, there were 357 (1999: 253) retail outlets operating in Mainland China. Comparable store sales also improved by 5.8% from last year. Mainland China's imminent accession to World Trade Organization will present both challenges and opportunities. On balance, Management looks forward to this significant change in the marketplace.

新加坡

SINGAPORE

		2000	1999	1998	1997	1996
銷售淨額(百萬港元)	Net sales (HK\$m)	349	349	234	284	351
每平方呎銷售額(港元)*	Sales per sq. ft. (HK\$)*	13,300	13,800	8,500	10,300	14,900
可比較店舖之銷售額 (減少)/增加之百分率**	Comparable store sales (decrease)/increase in percentage**	(5%)	48%	(16%)	(15%)	(19%)
零售樓面面積(平方呎)***	Retail floor area (sq. ft.)***	32,400	24,400	28,000	28,700	26,400
售貨員數目***	Number of sales associates***	254	228	202	235	233
門市數目***	Number of outlets***	35	27	31	33	30

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之門市

*** 於十二月三十一日

* On weighted average basis

** Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison

*** As at December 31

新加坡之零售營業額以當地貨幣計算增長4.0%，但換算為港元後則僅保持於349,000,000港元之水平。與一九九九年相比，二零零零年增設8間門市。此外，Bluestar Exchange於第四季推出，成績令人鼓舞。管理層將於二零零一年增設更多Bluestar Exchange門市。

Singapore retail sales turnover grew by 4.0% in local currency but stayed flat at HK\$349 million when translated into Hong Kong Dollar. There was a net increase of eight outlets in 2000 compared with 1999. In addition, Bluestar Exchange was launched in the fourth quarter with encouraging results. Management will add more Bluestar Exchange outlets in 2001.

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馬來西亞

MALAYSIA

		2000	1999	1998	1997	1996
銷售淨額 (百萬港元)	Net sales (HK\$m)	83	67	35	33	44
每平方呎銷售額 (港元)*	Sales per sq. ft. (HK\$)*	3,600	3,600	1,900	2,000	3,200
可比較店舖之銷售額 (減少)/增加之百分率**	Comparable store sales (decrease)/increase in percentage **	(2%)	69%	(14%)	8%	14%
零售樓面面積 (平方呎)***	Retail floor area (sq. ft.)***	30,200	20,400	18,700	17,800	14,400
售貨員數目***	Number of sales associates***	190	115	72	66	66
門市數目	Number of outlets					
— 直接管理 ***	— directly managed ***	28	23	19	18	14
— 特許經營 ***	— franchised ***	8	11	7	8	2

* 按加權平均基準計算

** 指於兩個作比較之財政年度內均開業十二個月之門市

*** 於十二月三十一日

* On weighted average basis

** Regarding those outlets which were open for the full 12 months in each of the two financial years under comparison

*** As at December 31

二零零零年之零售營業額為83,000,000港元，較一九九九年增長23.9%。由於推出更多邊際利潤較高之產品，邊際毛利亦上升1.9個百分點。零售門市之數目由一年前之34間增至36間。除翻新店舖外，本公司亦加強當地宣傳攻勢，以鞏固於當地市場之領導地位。管理層預期馬來西亞業務之增長趨勢會延續至二零零一年。

Retail sales turnover for 2000 increased by 23.9% to HK\$83 million compared with 1999. The gross profit margin also improved by 1.9 percentage points due to a favorable mix of higher margin products. The number of retail outlets increased to 36 from 34 a year earlier. In addition to refurbishing the stores, the Company has also intensified local promotion campaigns to consolidate its leadership position there. Management expects Malaysia will sustain its growth momentum in 2001.

新市場

澳洲

澳洲業務於二零零零年首次錄得全年業績，銷售營業額達29,000,000港元，截至二零零零年十二月三十一日之門市數目為14間（一九九九年：4間）。本公司於悉尼之首間店舖於九月開業，令墨爾本及悉尼均有佐丹奴產品銷售。澳洲政府開徵貨品及服務稅，對第三季銷售曾造成短暫壓力，但並不影響本公司之擴展策略。當擴大經營規模之效益達到時，預料澳洲市場短期內會有進一步增長及提供盈利。

印尼

進軍印尼市場之成績與本公司所預測相符。於二零零零年十二月三十一日，雅加達、泗水及巴里共開設10間零售門市（一九九九年：3間）。雖然政局及社會不穩對該國之經濟發展造成障礙，令印尼盾受到貶值壓力，本公司仍對二零零一年之營運保持審慎樂觀，並將穩步擴展業務。

其他市場

韓國

與一九九九年相比，二零零零年之總零售營業額增長41.8%。於計入Giordano Junior之店舖後，門市數目為140間，較去年淨增長43間。本公司於黃金購物地段開設多間大型店舖，並移入已擴建之分銷中心，以應付與日俱增之銷售需求。Giordano Junior充分利用「佐丹奴」之品牌效應，成功進軍兒童服裝市場，一年內已開設29間門市。本公司之策略是透過有效之市場推廣活動及不斷改良產品以提高實際利潤。

NEW MARKETS

AUSTRALIA

Sales turnover reached HK\$29 million in 2000 in the first full year of the Australian operation and the number of outlets was 14 (1999: four) as of December 31, 2000. The Company opened its first store in Sydney in September, making Giordano available in both Melbourne and Sydney. The introduction of Goods and Services Tax briefly depressed sales in the third quarter but did not affect our expansion strategy. The Australia market is expected to grow further and become profitable in the near future once economy of scale is reached.

INDONESIA

Entry into the Indonesia market was in line with our projections. As of December 31, 2000, there were ten (1999: three) retail outlets covering Jakarta, Surabaya and Bali. Although the political and social unrest has so far hampered the economic development of the country and has put downward pressure on the Rupiah, the Company is cautiously optimistic about the operation and will steadily expand in 2001.

OTHER MARKETS

KOREA

Total retail turnover for 2000 increased by 41.8% compared with 1999. Including Giordano Junior, the number of outlets was 140, a net increase of 43 from last year. The Company has opened mega stores in prime shopping areas and has also moved into an expanded distribution center to meet higher sales demand. Capitalizing on the success of the "parent" brand, Giordano Junior has penetrated into the children wear market and opened 29 outlets in one year. The Company's strategy is to enhance margin through effective marketing campaigns and improved products.

中東

儘管區內競爭較前激烈，本公司在中東市場之發展仍令人滿意。營業額較一九九九年增長11.9%。門市數目由一年前之32間增至40間。在沙特阿拉伯取得阿拉伯顧客之支持，此乃去年一大進展。本公司預料中東市場將繼續以穩健步伐增長。

菲律賓

菲律賓之零售銷售額較一九九九年下跌17.4%，主要因政局不穩及經濟衰退所致。當地管理層已精簡店舖組合，務求改善營運效率。預料該國之零售市道在二零零一年全年仍將繼續低迷。

製衣部門概況

未扣除集團內部銷售之總銷售營業額較一九九九年增長28.7%。生產成本佔總銷售額之百分比較一九九九年下降1.6個百分點。上述成本之改善是因為內部及對外客戶之需求增加，加上一隊擁有豐富經驗及高效率的生產隊伍所致。

製衣部門的另一項挑戰，是要透過提供全面服務，包括產品開發、樣版測試、準時生產，以至對製成品之品質保證，從而為顧客提供更物有所值之產品及服務。製衣部門並不著眼於擴展生產設施以應付與日俱增之需求，而是利用其於生產管理和品質控制方面之經驗，指導及監督分包商之生產活動。在此項策略性重新定位下，製衣部門正蓄勢以待，迎接中國大陸加入世界貿易組織，以及現時各主要出口市場之配額制度最終廢除後將出現之劇烈競爭。

MIDDLE EAST

In spite of tougher competition in the region, growth in the Middle East market was satisfactory. Turnover increased by 11.9% compared with 1999. The number of outlets increased to 40 from 32 a year ago. Gaining customer support from the Arabic population in the Kingdom of Saudi Arabia was a major stride last year. The Company expects the Middle East market will continue to grow at a healthy rate.

PHILIPPINES

Retail sales in the Philippines dropped by 17.4% against 1999, primarily due to the unstable political condition and the depressed economy. The local management has rationalized its shop portfolio to improve the efficiency of its operation. We expect the retail condition will remain unfavorable throughout 2001.

HIGHLIGHTS OF MANUFACTURING DIVISION

Total sales turnover before elimination of intra-group sales increased by 28.7% compared with 1999. As a percentage of total sales, factory overheads decreased by 1.6 percentage points compared with 1999. The improvement was attributable to the higher demand from both internal and external customers, supported by a more experienced and efficient production team.

The next challenge for the Manufacturing Division is to create better value for the customers by offering a full range service from product development, sample testing, just-in-time production to quality assurance of the final product. Rather than expanding the manufacturing facilities to meet higher demand, the Manufacturing Division is leveraging its expertise in production runs and quality assurance by directing and supervising subcontractors' activities. With this strategic re-positioning, the Manufacturing Division is well prepared for the fierce competition after the imminent accession of Mainland China into the World Trade Organization and the ultimate abolishment of the quota systems currently in-place for key export markets.

針織產品部

KNITWEAR DIVISION

		2000	1999	1998	1997	1996
銷售額(百萬港元)	Sales (HK\$m)	144	116	202	347	643
於年底之每月生產量(千打)	Monthly capacity at year end (<i>'000 dozens</i>)	48	6	26	116	143
工人數目	Number of workers	391	244	711	2,411	3,842
佔銷售額之百分率：	Percentage of sales to:					
本集團	The Group	90	74	54	74	62
第三者	Third Parties					
韓國	Korea	4	—	—	—	—
日本	Japan	3	5	4	6	18
香港	Hong Kong	2	9	2	2	6
中國大陸	Mainland China	—	—	1	3	—
美國	USA	—	8	24	3	5
菲律賓	Philippines	—	4	14	10	7
其他	Others	1	—	1	2	2

梭織產品部

WOVEN DIVISION

		2000	1999	1998	1997	1996
銷售額(百萬港元)	Sales (HK\$m)	583	449	411	430	444
於年底之每月生產量(千件)	Monthly capacity at year end (<i>'000 pieces</i>)	588	520	590	560	610
工人數目	Number of workers	3,096	2,915	2,751	2,510	2,462
佔銷售額之百分率：	Percentage of sales to:					
本集團	The Group	67	65	49	57	51
第三者	Third Parties					
日本	Japan	20	18	35	29	44
香港	Hong Kong	6	16	15	10	—
中國大陸	Mainland China	5	—	—	—	—
韓國	Korea	2	—	1	4	5
其他市場	Others	—	1	—	—	—

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展望

由年初之科技網熱潮以至下半年若干亞洲國家出現政局動蕩，佐丹奴均以不變應萬變，繼續努力耕耘，專注於產品革新、客戶服務及員工發展，使本公司能夠應付以下於二零零一年之挑戰：

- (1) 全球經濟放緩 — 本集團正密切注視美國經濟放緩對全球市場所產生之影響。
- (2) 競爭越趨激烈 — 本集團繼續面對來自本地及海外之激烈競爭。

因應上述的挑戰，管理層將於未來十二個月內集中推行以下策略：

- (1) 產品 — 零售市場會因顧客喜好改變及新產品推出而不斷變化。本集團將繼續改進產品質素，縮短產品開發及推出市場之周期。
- (2) 採購 — 本集團將繼續物色能夠以可接受價格提供優質產品之生產夥伴。此外，本集團亦將加強於當地市場採購若干產品，以爭取更相宜價格及更短之生產期。當地採購亦可減低匯率波動對成本之影響。管理層相信邊際毛利可望進一步提高。
- (3) Bluestar Exchange — Bluestar Exchange在香港、台灣及新加坡備受歡迎。本集團將擴大Bluestar Exchange之銷售網絡，以服務中低價市場之顧客。待香港建立更鞏固之市場後，將在其他地區展開大規模銷售推廣。

OUTLOOK

From the dotcom fever in the beginning of the year to the political unrest of a few Asian countries in the latter part of the year, Giordano has remained industrious, committed to innovation, customer service and people development. It is these efforts that will enable us to meet the following challenges in 2001:

- (1) Slow down of global economy – The Group is vigilant of the effect on the global market of a slowdown of the US economy.
- (2) Heightened competition – The Group continues to face intensifying competition domestically and abroad.

In response, Management will focus on the following issues in the next 12 months:

- (1) Products – The retail market is characterized by changing consumer behavior and new product introductions. The Group will continuously improve product quality and shorten the product development and launch cycle.
- (2) Procurement – The Group will continue to locate manufacturing partners that are able to offer good quality products at acceptable prices. The Group will also extend the sourcing of certain products in the local market to take advantage of better prices and lead-time. Local sourcing will also minimize the cost effect of exchange rate fluctuation. Management believes there is room for further gross margin improvement.
- (3) Bluestar Exchange – Bluestar Exchange has been well received in Hong Kong, Taiwan and Singapore. The Group will augment the Bluestar Exchange network to serve the budget-conscious market segment. Further refinement will be carried out in Hong Kong prior to large-scale fast roll-outs elsewhere.

- (4) 德國及日本市場 – 作為業務全球化之一部份，本集團將於二零零一年上半年在德國及日本開設首間店舖。憑著在經營效率及產品創新方面之優勢，本集團相信定會迅速在這兩個市場取得溢利。預料於營運第三年便可錄得可觀回報。
- (4) Germany and Japan markets – As part of the globalization process, the Group will open its first shop in Germany and Japan during the first half of 2001. With our competence in operating efficiency and innovation, the Group believes these two markets will provide positive returns quickly. Substantial returns are expected in the third year of operation.