

董事會同寅茲向全體股東提呈本公司及本集團截至二零零五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 Ladies*、*Giordano Junior* 及 *Bluestar Exchange* 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

本集團截至二零零五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五。

業績

本集團截至二零零五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四十九頁至第一百一十三頁之財務報表內。

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二零零五年九月十五日派發。

董事會向股東建議派發截至二零零五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五仙予於二零零六年五月九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五十四頁至第五十六頁之權益變動表。

可供分派儲備

於二零零五年十二月三十一日，本公司之可供分派滾存溢利及繳入盈餘為港幣十三億一千六百萬元（二零零四年：港幣十三億六千九百萬元）。

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, 2005.

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 Ladies*, *Giordano Junior* and *Bluestar Exchange* 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, 2005 is set out in note 5 to the financial statements.

RESULTS

The results of the Group for the year ended December 31, 2005 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 49 to 113.

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 15, 2005.

The directors recommend to shareholders the payment of a final dividend of 5.0 HK cents per share and a special final dividend of 15.0 HK cents per share for the year ended December 31, 2005 to those shareholders whose names appear on the register of members of the Company on May 9, 2006.

RESERVES

Movements in reserves during the year are set out in the Statements of Changes in Equity on pages 54 to 56.

DISTRIBUTABLE RESERVES

As at December 31, 2005, the retained profits of the Company together with the contributed surplus available for distribution amounted to HK\$1,316 million (2004: HK\$1,369 million).

慈 善 捐 款

本集團於本年度內之慈善捐款為港幣一百五十萬元(二零零四年：港幣一百五十萬元)。

固 定 資 產

本年度內，集團共添置約港幣一億二千萬元之固定資產。本年度固定資產變動情況載於財務報表附註十四、十五及十九。

主 要 附 屬 公 司

本公司於二零零五年十二月三十一日主要附屬公司詳情載於財務報表附註三十二。

銀 行 貸 款 及 透 支

於二零零五年十二月三十一日，本集團須即付或於一年內償還之銀行貸款及透支約港幣七千六百萬元。

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及第三頁。

股 本

本公司之股本於本年度內之變動詳載於財務報表附註二十二。

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一百一十四頁至第一百一十九頁。

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此等權利。

CHARITABLE DONATIONS

Donations made for charitable purposes by the Group during the year amounted to HK\$1.5 million (2004: HK\$1.5 million).

FIXED ASSETS

During the year, the Group acquired fixed assets of approximately HK\$120 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, 2005 are set out in note 32 to the financial statements.

BANK LOANS AND OVERDRAFTS

As at December 31, 2005, the Group's bank loans and overdrafts of approximately HK\$76 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 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 and 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 114 to 119.

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.

購買、出售或贖回本公司之上市證券

本公司在本年度內並無贖回其股份。年內，本公司及其任何附屬公司亦無購買或出售任何本公司之股份。

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：

劉國權先生
歐文柱先生*
畢滌凡先生*
馮永昌先生
鄭其志先生，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，馬灼安先生及李鵬飛博士於即將舉行之股東週年大會上輪值告退，惟彼等均合資格膺選連任。

於本報告日，本公司董事之個人資料詳載於本年報第七頁至第十頁。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一百三十四頁至第一百三十六頁。

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。

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

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

DIRECTORS

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

Mr. 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. Mah Chuck On, Bernard and Dr. Lee Peng Fei, Allen will retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Biographical details of the directors of the Company as at the date of this report are set out on pages 7 to 10 of this annual report. Further information of the retiring directors proposed to be re-elected are set out on pages 134 to 136 of this annual report.

DIRECTORS' SERVICE CONTRACT

The directors being proposed for re-election at the forthcoming annual general meeting do 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 subsisting during or at the end of the year to which the Company or any of its subsidiaries was a party.

董事之證券權益

於二零零五年十二月三十一日，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」）之上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司和聯交所任何權益或淡倉如下：

DIRECTORS' INTERESTS IN SECURITIES

As at December 31, 2005, the interests or short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

董事姓名 Name of director	權益性質 Nature of interest	股份 實益權益 (附註) Beneficial interest in shares (Note)	非上市之相關 股份實益權益 (附註) Beneficial interest in unlisted underlying shares (Note)	總權益 百分率概約 Approximate aggregate percentage of interests
劉國權 LAU Kwok Kuen, Peter	個人 Personal	22,708,000	-	1.52%
馮永昌 FUNG Wing Cheong, Charles	個人 Personal	1,122,000	5,000,000	0.41%
馬灼安 MAH Chuck On, Bernard	個人 Personal	1,619,086	5,000,000	0.44%

附註：

擁有之股份及股本衍生工具之相關股份權益均為好倉。非上市之股本衍生工具之相關股份乃按本公司採納之購股權計劃而授予董事之購股權；有關資料載列於第一百一十七頁。

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(s) of the Company and details of which are set out on page 117.

除上述披露外，於二零零五年十二月三十一日，本公司董事及行政總裁概無在本公司或其相關法團（定義見證券及期貨條例第XV部）的股份、相關股份或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二零零五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。

Save as disclosed above, as at December 31, 2005, none of the directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under section 352 of the SFO; or as notified to the Company and the Stock Exchange pursuant to the Model Code. Furthermore, save as disclosed above, at no time during the year ended December 31, 2005 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東

於二零零五年十二月三十一日，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：

SUBSTANTIAL SHAREHOLDERS

As at December 31, 2005, the following persons, other than directors and chief executive of the Company, having interests or short positions of 5 percent or more in the Company's shares or underlying shares were recorded in the register kept by the Company pursuant to section 336 of the SFO:

名稱 Name	附註 Note	好倉股份及 相關股份總數 Aggregate long position in shares and underlying shares	總權益百分率概約 Approximate aggregate percentage of interests
JPMorgan Chase & Co.	1	252,969,582	16.98%
Aberdeen Asset Management Plc and its associates	2	225,401,000	15.13%
Harris Associates L.P.	3	150,277,800	10.09%
Matthews International Capital Management, LLC	4	134,937,000	9.06%

附註：

1. JPMorgan Chase & Co. 所持有二億五千二百九十六萬九千五百八十二股股份之身份分別包括七萬二千股為實益擁有人、一億二千二百五十六萬五千六百九十三股為投資經理及一億三千零三十三萬一千八百八十九股為法團保管人持有之可供借出的股份。

由JPMorgan Chase & Co. 所持有之二億五千二百九十六萬九千五百八十二股股份之資料如下：

Notes:

1. The capacities of JPMorgan Chase & Co. in holding the 252,969,582 shares were, as to 72,000 shares as Beneficial Owner, as to 122,565,693 shares as Investment Manager and as to 130,331,889 shares in the Lending Pool as Custodian Corporation.

Details of the breakdown of the 252,969,582 shares interested by JPMorgan Chase & Co. were as follows:

名稱 Name	附註 Note	好倉股份總數 Aggregate long position in shares	總權益百分率概約 Approximate aggregate percentage of interests
JPMorgan Chase Bank, N.A.	i	131,289,889	8.81%
JPMorgan Asset Management Holdings Inc.	ii	121,679,693	8.17%

附註：

- i. JPMorgan Chase Bank, N.A.乃JPMorgan Chase & Co.之全資附屬公司，彼持有一億三千一百二十八萬九千八百八十九股股份，當中包括：
- (a) 一億三千一百二十一萬七千八百八十九股直接權益；及
- (b) 由彼間接擁有之全資附屬公司J.P. Morgan Whitefriars Inc.所持有之七萬二千股被視作彼擁有之權益。J.P. Morgan Whitefriars Inc.依序乃由J.P. Morgan Overseas Capital Corporation、J.P. Morgan International Finance Limited、Bank One International Holdings Corporation、J.P. Morgan International Inc.及JPMorgan Chase Bank, N.A.全資擁有。
- ii. JPMorgan Asset Management Holdings Inc.乃JPMorgan Chase & Co.之全資附屬公司，彼被視作擁有一億二千一百六十七萬九千六百九十三股股份，當中包括：
- (a) 由彼之全資附屬公司JPMorgan Asset Management (Asia) Inc.持有之一億二千零四萬六千股股份被視為彼之權益。此等權益包括：(aa) 由JPMorgan Asset Management (Asia) Inc.之全資附屬公司JF International Management Inc.直接持有之一百七十萬六千股股份；(bb) 由JPMorgan Asset Management (Asia) Inc.之全資附屬公司JF Asset Management Limited直接持有之一億零八百七十八萬股股份；及(cc) 由JF Asset Management (Taiwan) Limited直接持有之九百五十六萬股股份。JF Asset Management (Taiwan) Limited由JF Funds Limited持有百分之九十九點九的控股權益。JF Funds Limited依序乃由JF Asset Management Limited及JPMorgan Asset Management (Asia) Inc.全資擁有。

Notes:

- i. JPMorgan Chase Bank, N.A. was wholly-owned by JPMorgan Chase & Co.. The 131,289,889 shares held by JPMorgan Chase Bank, N.A. included:
- (a) direct interests in 131,217,889 shares; and
- (b) deemed interests in 72,000 shares held by its indirect wholly-owned subsidiary, J.P. Morgan Whitefriars Inc., which was a subsidiary wholly-owned in turn by J.P. Morgan Overseas Capital Corporation, J.P. Morgan International Finance Limited, Bank One International Holdings Corporation, J.P. Morgan International Inc. and JPMorgan Chase Bank, N.A. respectively.
- ii. JPMorgan Asset Management Holdings Inc. was wholly-owned by JPMorgan Chase & Co.. The 121,679,693 shares, which were deemed to be held by JPMorgan Asset Management Holdings Inc., included:
- (a) deemed interests in 120,046,000 shares held by JPMorgan Asset Management (Asia) Inc., which was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc.. Of the 120,046,000 shares, (aa) 1,706,000 shares were directly held by JF International Management Inc., which was wholly-owned by JPMorgan Asset Management (Asia) Inc.; (bb) 108,780,000 shares were directly held by JF Asset Management Limited, which was a wholly-owned subsidiary of JPMorgan Asset Management (Asia) Inc.; and (cc) 9,560,000 shares were directly held by JF Asset Management (Taiwan) Limited, in which JF Funds Limited held 99.9 percent controlling interests. JF Funds Limited was a subsidiary wholly-owned in turn by JF Asset Management Limited and JPMorgan Asset Management (Asia) Inc. respectively;

(b) 由彼之全資擁有的J.P. Morgan Investment Management Inc. 持有的二萬九千六百九十三股股份。

(c) 由 JPMorgan Asset Management (Canada) Inc. 持有的一百六十萬四千股股份；該公司由 JPMorgan Asset Management Holdings Inc. 全資擁有。

(b) deemed interests in 29,693 shares held by its wholly-owned subsidiary, J.P. Morgan Investment Management Inc.; and

(c) deemed interests in 1,604,000 shares held by JPMorgan Asset Management (Canada) Inc., which was a wholly-owned subsidiary of JPMorgan Asset Management Holdings Inc..

2. Aberdeen Asset Management Plc 及其聯繫人以投資經理身份持有二億二千五百四十萬一千股股份。

2. Aberdeen Asset Management Plc and its associates held 225,401,000 shares in the capacity of Investment Manager.

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

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

附屬公司名稱

好倉股份總數

Name of subsidiary

Aggregate long position in shares

Aberdeen International Management Ireland Limited	61,480,000
Aberdeen Asset Management Asia Limited	205,773,000
Aberdeen Asset Managers Limited	82,252,000
Aberdeen International Fund Managers Limited	51,218,000
Aberdeen Unit Trust Managers Limited	28,642,000
Aberdeen Asset Management Inc	2,634,000
Aberdeen Asset Management Limited	1,360,000
Edinburgh Fund Management Limited	14,000,000
Aberdeen Fund Management Limited (formerly known as “Deutsche Asset Management (Ireland) Limited”)	15,078,000

3. Harris Associates L.P. 以投資經理身份持有一億五千零二十七萬七千八百股股份。

3. Harris Associates L.P. held 150,277,800 shares in the capacity of Investment Manager.

4. Matthews International Capital Management, LLC 以投資經理身份持有一億三千四百九十三萬七千股股份。

4. Matthews International Capital Management, LLC held 134,937,000 shares in the capacity of Investment Manager.

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。

關連交易

本集團於本年度內與 Placita Holdings Limited (「Placita」) 及其屬下之附屬公司 (以下簡稱「Placita集團」) 有業務往來。Placita 為本公司之非全資附屬公司，分別由本公司及 Gloss Mind Holdings Limited (「Gloss Mind」) 各自擁有百分之五十一及百分之四十九之權益。Gloss Mind 為張國良先生 (「張先生」) 全資擁有之公司，而張先生同時亦是本公司若干非全資附屬公司 (包括 Placita 在內) 之董事。根據聯交所證券上市規則 (「上市規則」)，Placita 因此被視為本公司之關連人士。Placita 集團從事製造及買賣成衣及配襯用品之業務。本集團向 Placita 集團採購貨品之交易 (「交易」) 按上市規則被視為持續關連交易。

本集團於二零零五年財政年度內與 Placita 集團進行之交易總值約達港幣二億六千五百萬元。

在二零零四年三月二十九日本公司舉行之股東特別大會上，本公司之獨立股東經已批准此等交易以及本公司須就此等交易向聯交所申請有關之豁免。在二零零四年三月三十日，聯交所已豁免本公司截至二零零六年十二月三十一日止三個財政年度內嚴格遵守上市規則第十四章 (指於二零零四年三月三十一日前沿用之規則) 就有關交易之披露及批准規定，惟須受若干條件限制。

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.

CONNECTED TRANSACTION

During the year, the Group has conducted business with Placita Holdings Limited ("Placita") and its subsidiaries (collectively "Placita Group"). Placita is a non wholly-owned subsidiary of the Company and owned as to 51 percent by the Company and 49 percent by Gloss Mind Holdings Limited ("Gloss Mind"). Gloss Mind is wholly-owned by Mr. Cheung Kwok Leung ("Mr. Cheung"), a director of certain non wholly-owned subsidiaries of the Company including Placita. Placita is, as a result, deemed to be a connected person of the Company under the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"). The Placita Group carries on the business of manufacturing and trading of clothing and accessories and the purchases of merchandize ("Transactions") by the Group from Placita Group were classified as continuing connected transactions.

The purchases of merchandize from the Placita Group during the financial year 2005 totaled approximately HK\$265 million.

At a special general meeting held on March 29, 2004, shareholders of the Company independent of the Transactions approved the Transactions together with the relevant waiver application to the Stock Exchange. On March 30, 2004, the Stock Exchange granted the Company a waiver from strict compliance with the disclosure and approval requirements under Chapter 14 of the Listing Rules in force prior to March 31, 2004 for a period of three financial years ending December 31, 2006 subject to certain conditions.

根據此等條件，獨立非執行董事已審閱在本年度內之此等交易，並確認此等交易已 (i) 在本公司之一般及日常業務運作中進行；(ii) 按正常商業條款進行（條款將參考適用於類似公司進行性質類似之交易），或如沒有可獲得的相類交易可作比較下，對股東整體而言屬公平合理之條款進行；及 (iii) 按規管此等交易之協議或訂貨合約或其他補充協議之條款進行。獨立非執行董事並確認此等交易之總金額沒有超逾聯交所授出之豁免中所規定的港幣三億三千萬元之金額上限。

本公司之核數師已向董事會匯報在本年度內之此等交易：(i) 已獲本公司董事會通過；(ii) 已按規管此等交易之協議或其他訂貨合約之條款進行；及 (iii) 沒有超逾港幣三億三千萬元之金額上限。

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，本公司已按上市條例之要求，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，二零零六年三月二十一日

In accordance with these conditions, the independent non-executive directors have reviewed the Transactions during the year and confirmed that they have been (i) entered into by the Group in the ordinary and usual course of business; (ii) conducted either on normal commercial terms (which expression will be applied by reference to transaction of a similar nature and to be made by similar entities) or, where there are no available comparables, on terms that are fair and reasonable as far as the Shareholders as a whole are concerned; and (iii) entered into in accordance with the terms of the agreements or order contracts or other supplemental agreements governing such Transactions. The independent non-executive directors have also confirmed that the Transactions have not exceeded the relevant maximum amount of HK\$330 million capped in accordance to the waiver previously granted by the Stock Exchange.

The Auditors of the Company have reported to the directors that during the year (i) the Transactions have received the approval of the Board; (ii) the Transactions have been entered into in accordance with the terms of the agreements or other order contracts governing such Transactions; and (iii) the cap amount of HK\$330 million has not been exceeded.

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.

AUDITORS

PricewaterhouseCoopers shall retire and being eligible, offer themselves 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 21, 2006