

LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	Chiang Chun Wah	Student ID number:	2119645
Programme:	MBA		
Module:	Finance for Business Managers		
Module code:	HKBM7008	Contribution to Overall Module Assessment (%):	100%
Lecturer:	Dr Katherine Mo	Internal Verifier:	Dr Arion Wong
Assignment Title:	Assignment 1	Word count (or equivalent):	5,000 words ± 10%
Submission deadline:	5 September 2022	Return date of provisional marks & written feedback:	Within 10 days after submission
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

Financial Analysis Report of Giordano

Student Name (ID): Chiang Chun Wah, Ray (2119645)

University of Wales Trinity Saint David – MBA

Module: HKBM 7008 Assignment 1

Lecturer: Dr. Katherine Mo

Executive Summary

Financial Management is important for the company. It controls resources and how to use the resources more efficiently to generate income for the company. This report analyzed Giordano's financial statement to understand its financial situation. As financial indexes could be different by different industries, a peer group analysis was adopted to compare two companies in the same industry. Crocodile Garments Limited ("Crocodile") and Bauhaus International (Holdings) Limited ("Bauhaus") were Hong Kong-based retailers in the same industry. The different financial indexes were compared to identify Giordano's financial risk and proposed recommendations for Giordano.

Table of Contents

1. Introduction.....	4
2. Company Background.....	5
2.1 Present Business Overview.....	5
2.2 Company Structure	7
2.3 Company Information for Financial Analysis.....	7
3. Financial Analysis	8
3.1 Bankruptcy Index Analysis.....	8
3.2 Profitability Ratios.....	10
3.3 Liquidity Ratios.....	11
3.4 Leverage Ratios.....	13
3.5 Coverage Ratios	14
3.6 Efficiency Ratios.....	15
3.7 Market Value Ratios.....	17
4. Corporate Governance	18
5. Major Investment Project	20
5.1 Project Investment Information	20
5.2 Capital Investment Appraisals (CIA)	23
6. Financing and Capital Management	25
7. Conclusion	26
8. Recommendation.....	27
Appendix I – Stock Price on 26 August 2022.....	28
Appendix II - Year End Stock Price in 2019-21	30
Appendix III – Store Rental Price	36
Appendix IV – Virtual Fitting Price.....	37
Appendix V – Decoration Price	39
Appendix VI – Financial Information of Three Companies	40
Appendix VII – Financial Comparison of Three Companies	41
Appendix VIII – Consolidate Income Statement and Balance Sheet 2021	42
Reference List.....	46

1. Introduction

Finance is an essential prerequisite for any business. Funds sufficient and financial management are required in different stages of business. Therefore, funds should be managed, used more efficiently, and monitored in different stages of the business lifecycle. The company is potential growth if it manages its finances better, conversely, mismanaging its financial resources and investment usually makes lower profits or financial risks. Financial management is the strategic planning, organizing, directing, and controlling of financial undertakings in the company. The financial objectives included maintaining sufficient funds, ensuring the interest of shareholders, utilizing the funds efficiently, and creating investment opportunities (phf-university, no date). It is also responsible for allocating the funds to optimize the return of investment and ensure financial stability and growth for the company (Jaiswal, 2022).

This report analyzes the financial situation of the last three fiscal years (2019-2021) to understand the situation of Giordano that including business operations and challenges ahead of the company.

2. Company Background

Giordano International Limited (“Giordano”) is a garments retailer in Hong Kong. The major business was the casual wear market, and its targeted segmentation was a mass market, with marketing strategies being simplicity in design, color, and quality of service. The retail store was launched in Hong Kong in 1981 and the company rapidly built up an excellent reputation and positive word of mouth in the market by offering “easy-to-wear”, “high quality”, “value for money” apparel. The Group was listed on Hong Kong Stock Exchange under stock code 709 in 1991 and raised funds to further expand its business (Giordano, 2022b). The first IPO of the Group issued 600 million shares, and each share HKD 0.1 listed price guidelines points for fund-raising HKD 60,000,000. Giordano has entered China to develop the mainland market since 1992 and established branches in Guangzhou, Shanghai, Beijing, etc., creating a precedent for domestic clothing chain "specialty stores". Now, in addition to setting up in Shenzhen, Guangzhou, Dongguan, and other places, Dongguan has franchised stores in more than a dozen provinces in China, with satisfactory sales results, and the number of stores owned by franchisees in cooperation with Giordano was increasing.

2.1 Present Business Overview

Currently, Giordano is a major Hong Kong-based clothing company with around 5,900 staff and its business is operated in over 30 countries, and stores are in different regions in the world included Asia Pacific, Middle East, and Australasia. The Group operates several business lines such as Giordano Ladies, Giordano, Giordano Junior, BSX and Beau Monde. Moreover, it was moving to expand into Europe and the Americas (Giordano, 2022a).

Giordano had two main channels for its business; the first was retail sales that provided the goods and services to their customers directly. The second was wholesale to franchisees which worked as distributors to deliver the goods. The Group’s closing stock price was HKD 1.84 (Aastocks, 2022). (See Appendix I) on 26 August 2022, authorized shares of 2,000 million, and issued shares of 1,578.94 million. The market value of approximately HKD 2.91 billion (Aastocks, 2022). (See Appendix I) on 26 August 2022.

Table 2-1: Sales by Channels in 2021 (Giordano, 2022a).

#	Sales Channels	Contribution	Remark
1	Mainland China online sales	9.00%	
2	Ex-Mainland China online sales	3.10%	
3	Online Sales	12.10%	#1+#2
4	Offline Sales	74.70%	
5	Retail Sales	86.80%	#3+#4
6	Wholesale to franchisees	13.20%	
	Group Sales	100.00%	

(Source: Constructed by Author)

Table 2-1 shows the contribution from different sales channels in 2021. The retail sales were a large portion of revenue that had 86.8% and the rest of the revenue was contributed by wholesale to franchises. The retail sales included offline and online sales. Offline sales were the operations of the store and online sales were ordered through the web application or mobile application. The offline sales had 74.7% of retail sales and were still Giordano's major sales channel. The 12.1% was online sales that included Mainland China and Ex-Mainland China. Mainland China had a 9% contribution to online sales and a 3.1% contribution from other online sales regions. Mainland China was a major market for online sales channels and had stable growth from 2019 to 2021.

Table 2-2: Contribution of Sales from 2019 to 2021.

	(In HKD million)	2021	2020	2019	2020 - 2021 Growth (%)	2019 - 2020 Growth (%)
#	Sales Channels	Contribution				
1	Online Sales	\$409	\$326	\$267	25.46%	22.10%
2	Offline Sales	\$2,526	\$2,389	\$4,013	5.73%	-40.47%
3	Retail Sales	\$2,935	\$2,715	\$4,280	8.10%	-36.57%
4	Wholesale to franchisees	\$445	\$407	\$572	9.34%	-28.85%
	Total:	\$3,380	\$3,122	\$4,852	8.26%	-35.66%

(Source: Constructed by Author based on Giordano Annual Report 2019-2021.)

Table 2-2 shows the percentage of growth in different sales channels. The online sales contribution had increased by 22.1% and 25.46% in 2020 and 2021, respectively. The Covid-19 pandemic devastated the global economy and impacted Group's offline business since 2019. However, Giordano's online sales still increased 22.1% in 2019/2020 and had a growth of 25.46% further in 2020/21.

2.2 Company Structure

Giordano's corporate structure, apart from the Board and the other divisions, such as Finance, Investor Relations, legal and company secretarial, Internal Audit, Human Resource, Learning and Development, and Information Technology Department (Giordano, 2022a). The Board included three executive directors, two non-executive directors and four independent non-executive directors. The Board was charged with day-to-day operations with providing leadership for the company.

2.3 Company Information for Financial Analysis

Two companies were used for comparison in this report that was Crocodile Garments Limited ("Crocodile") under stock code 122 and Bauhaus International (Holdings) Limited ("Bauhaus") under stock code 483. Table 2-3 show the market value of three companies. Both companies had the same business nature as Giordano that were a Hong Kong-based casual wear retailer and closed number of stores in Hong Kong. Therefore, peer group analysis was conducted for Giordano by comparing Crocodile and Bauhaus to measure the performance of Giordano's financial management.

Table 2-3: Company Information Overview

Company	Giordano	Crocodile	Bauhaus
Stock Code	0709.HK	0122.HK	0483.HK
Business Nature	Casual wear retailer		
Market Value ¹ (HKD)	2,905 million	284.26 million	231.45 million
PE ¹	15.33	No Profit	1.62
Market Area ²	Asia Pacific, Middle East, Europe, and the Americas	Mainland China, Hong Kong, and Macau	Mainland China, Hong Kong, Macau, and Taiwan
No. of Stores in Hong Kong ³	29	9	30

(Source: Constructed by Author based on three companies' annual report 2021.)

Note1: The stock market was the close date on 26 August 2022 (source: <http://www.aastocks.com/en/>) (See Appendix I)

Note2: Market Area (source: Three companies' annual report 2021)

Note3: Number of stores in Hong Kong (source: Corporate Web Site of Three Companies)

3. Financial Analysis

Giordano's financial statement has been analyzed and compared with two same industry companies to assess Giordano's situation and financial capabilities. The analysis was through the comparison of six categories with different financial ratios and indexes. The index was Predicting Bankruptcy and six categories included Profitability Ratios, Liquidity Ratios, Leverage Ratios, Coverage Ratios, Efficiency Ratios, and Market Value Ratios.

3.1 Bankruptcy Index Analysis

Altman's Z-Score model was adopted to assess the likelihood of bankruptcy and financial distress for Giordano. Altman's Z-Score is a model that is used numerical measurement with a combination of financial ratios weighted to predict the likelihood of bankruptcy (Toly, Permatasari and Wiranata, 2020). Altman's Z-Score formula is as follows:

$$\text{Altman Z-Score} = 1.2A + 1.4B + 3.3C + 0.6D + 1.0E$$

Where:

A = working capital / total assets; B = retained earnings / total assets; C = earnings before interest and tax / total assets; D = market value of equity / total liabilities; E = sales / total assets.

Figure 3-1: Z-Score zone (Quora, no date).



A Z-score in the distress zone (1.8) implies a firm is financially vulnerable and has a high likelihood of filing for bankruptcy. A score between 1.8 and 2.99 indicates a considerable likelihood that the firm may declare bankruptcy. A score of 3 or above indicates that the firm is likely to avoid bankruptcy during the next two years (CFI Team, 2020a).

Table 3-1: Financial information for Z-Score Calculation.

Company	Giordano			Crocodile			Bauhaus		
(HKD in Million)	2021	2020	2019	2021	2020	2019	2021	2020	2019
Total Assets	\$4,208.00	\$4,383.00	\$5,196.00	\$2,200.62	\$2,306.41	\$2,566.19	\$599.30	\$888.72	\$862.15
Retained earnings (exclude dividends)	\$2,165.00	\$2,282.00	\$2,492.00	\$1,199.20	\$1,194.42	\$1,486.44	\$411.21	\$499.22	\$705.00
EBIT (Operating (loss)/profit)	\$263.00	-\$105.00	\$397.00	\$16.31	-\$271.71	\$45.70	\$107.25	-\$180.12	-\$56.57
Stock Value (HKD) ¹	\$1.49	\$1.15	\$2.35	\$0.42	\$0.33	\$0.70	\$0.55	\$0.60	\$1.30
Number of Shares (Million Shares)	1,578.94	1,577.63	1,578.50	\$947.54	\$947.54	\$947.54	367.38	367.38	367.38
Total Liabilities	\$1,645.00	\$1,752.00	\$2,349.00	\$669.10	\$779.67	\$747.43	\$151.35	\$352.76	\$120.41
Sales	\$3,380.00	\$3,122.00	\$4,852.00	\$112.00	\$151.27	\$235.35	\$371.89	\$887.31	\$1,300.58

(Source: Constructed by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

Note1: Stock value was a close date at the end of the financial year (source: <https://finance.yahoo.com/>) (See Appendix II)

Table 3-1 lists the necessary financial information for calculating the Z-Score values of three companies. After the calculation by above Z-Score formula, the result of the Z-score of three companies was listed on Table 3-2 as follows.

Table 3-2: Altman Z-Score Calculation.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
A	0.2281	0.2090	0.1374	-0.0824	-0.0698	-0.1001	0.4398	0.2977	0.4977
B	0.5145	0.5206	0.4796	0.5449	0.5179	0.5792	0.6862	0.5617	0.8177
C	0.0625	-0.0240	0.0764	0.0074	-0.1178	0.0178	0.1790	-0.2027	-0.0656
D	1.4302	1.0355	1.5792	0.5948	0.4011	0.8874	1.3350	0.6249	3.9664
E	0.8032	0.7123	0.9338	0.0509	0.0656	0.0917	0.6205	0.9984	1.5085
Z-Score	2.86	2.23	2.97	1.10	0.56	1.37	3.50	1.85	5.41

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

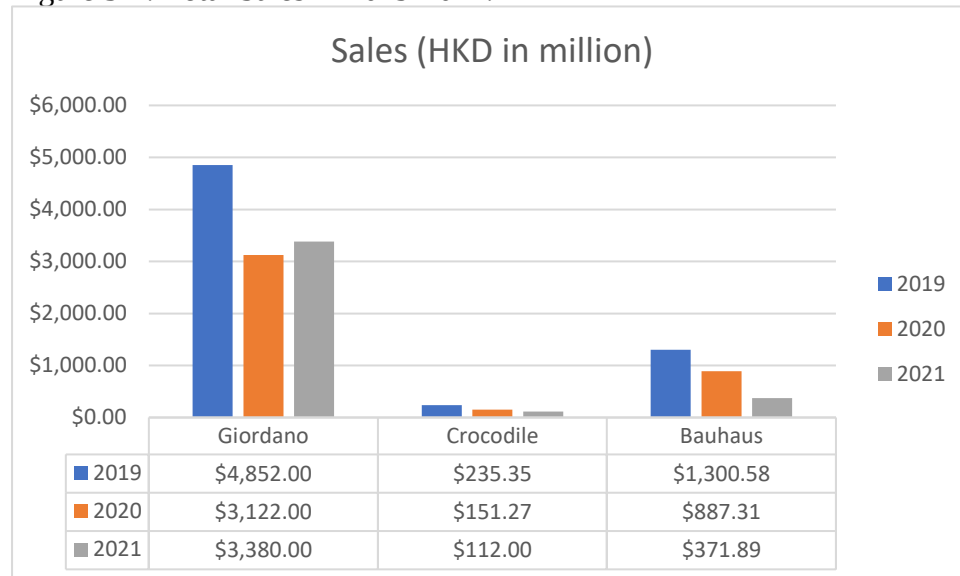
Giordano's Z-Score was between 2.2 and 2.99 in the above result means that it has potential financial risk and a medium probability of bankruptcy in the near future. However, the result did not represent that Giordano in this range had weak financial stability, but one needed to be cautious and be diligent about the risks. The Giordano's Z-Score for year 2021 was compared with the others two companies; it was better than Crocodile but lower than Bauhaus. Therefore, credit risk of Giordano was medium in the peer group.

3.2 Profitability Ratios

It is used to assess a company's ability to generate a profit relative to its revenue. The higher ratios are more favorable as this usually means the business has a good performance by generating profits, revenue, and cash flow (Hayes, 2022b).

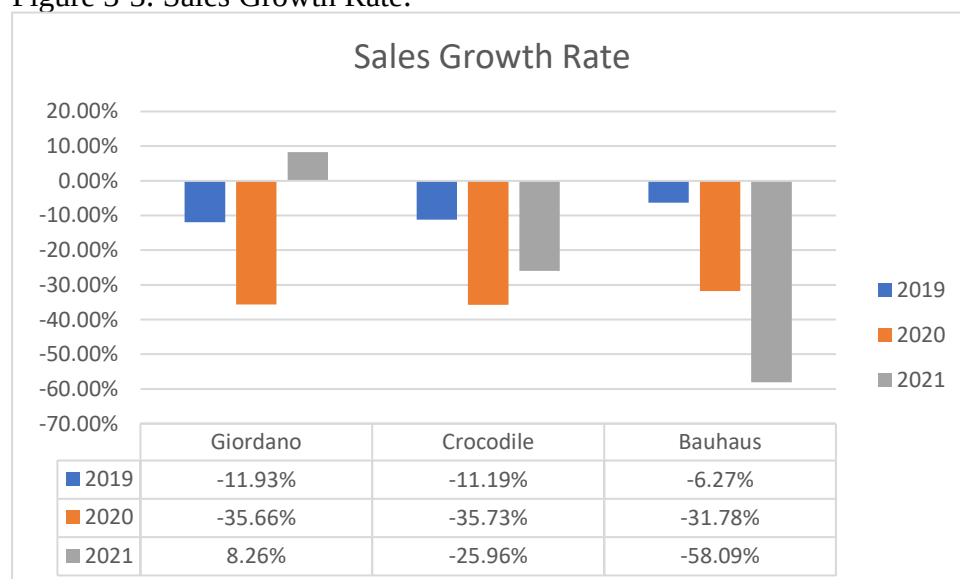
The total sales of the three companies indicated the preliminary figure for its business. Figure 3-2 show the total sales from 2019-2021.

Figure 3-2: Total Sales in 2019-2021.



(Source: Constructed by Author based on three companies' annual reports 2019-2021.)

Figure 3-3: Sales Growth Rate.



(Source: Constructed by Author based on three companies' annual reports 2019-2021.)

The total sales of three companies have dropped from 2019 to 2020 by COVID-19. However, Giordano was the only one with sales growth in the peer group in 2020/2021 and recovered from COVID-19 in 2021. Figure 3-2 shows percentage of sales growth for better comparison between companies. The business operations of Giordano were better than the other two companies and had 8.26% growth in the post-COVID-19 environment. The profitability has been analyzed further by comparing the other indexes, Table 3-3 listed the comparison of profitability ratios for three companies.

Table 3-3: Profitability Ratio Comparison.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Gross Profit Margin (%)	57.10%	55.61%	58.66%	72.71%	69.62%	69.40%	64.69%	60.22%	55.77%
Net Profit Margin (%)	6.60%	-3.46%	5.96%	4.27%	-193.05%	12.17%	26.82%	-19.45%	-4.77%
EBITDA Margin (%)	22.40%	16.14%	22.67%	24.11%	-143.30%	24.53%	60.56%	7.75%	-0.66%
Return on Assets (ROA after tax)	5.30%	-2.46%	5.56%	0.22%	-12.66%	1.12%	16.64%	-19.42%	-7.20%
Return on Equity (ROE after tax)	8.70%	-4.10%	10.15%	0.31%	-19.13%	1.58%	22.26%	-32.20%	-8.37%

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

The gross profit margin value was used to compare the gross profile to sales revenue. The value of the three companies was close to each other. The ability of business was good; especially Crocodile has 72.71%. However, the cost control of Giordano and Crocodile needed to be cautions if comparing the value between gross profit margin and net profile margin. The net profile margin measures the company's net income and divides it into total revenue (Maverick, 2021). It excluded all expenses that included cost, interest, and tax. Giordano's gross profile margin was 57.1% but net profit margin was only 6.6%. It indicated a large amount of cost that was used on operations overhead and Crocodile had the same situation. Bauhaus's gross profile margin of 64.69% with a net profit margin of 26.82% implied that cost control was better than Giordano and Crocodile.

3.3 Liquidity Ratios

The liquidity ratio is used to measure the company's capacity to fulfill its short-term obligations. The ratios indicate if a corporation can cover its current obligations with its current assets. Three common ratios were used to determine short-term solvency for Giordano that, included

current, quick, and cash ratio (CFI Team, 2020c). Table 3-4 lists the comparison of liquidity ratios for three companies.

Table 3-4: Liquidity Ratio Comparison.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Current Ratio	1.86	1.78	1.43	0.60	0.69	0.55	3.67	2.29	4.76
Quick Ratio	1.32	1.41	1.10	0.53	0.60	0.48	2.96	1.74	2.50
Cash Ratio	0.93	1.07	0.76	0.11	0.21	0.21	2.70	1.62	1.74

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

Current ratio - It is the simplest liquidity ratio. It measures the ability of the company to pay off its current liabilities that is payable within one year with the total current assets of the company. The current ratio of 1 means that the company can pay the short-term bills (CFI Team, 2020c).

Giordano's current ratio has 1.86 times. It could use current assets for settle its current liabilities. The current ratios from 2019 to 2021 were higher than 1 and was an upward trend in each year. This index was better than Crocodile which was lower than 1. The Crocodile had potential liquidity crisis. It was compared with Bauhaus's current ratio of 3.67 in 2021 which has sufficient resources to pay its short-term bills. However, a high ratio may not be a good index because it represented a company that holds a large amount of liquid assets without other initiatives and investments. Giordano had a good ratio compared with the two companies. It could pay off a short-term bill but did not hold too many assets on hand. The company can be asked for more from business partners to extend the credit.

Quick Ratio - Similar to the current ratio, except only specific current assets are included. It takes into consideration more liquid assets, such as cash, marketable securities, and receivables, that may be utilized or reclaimed quickly. It more accurately represents the company's short-term liquidity (CFI Team, 2020c).

Giordano excluded the inventory for calculating a quick ratio of 1.32 in 2021. The ratio was still higher than 1 and kept the capability to pay the short-term bills. The difference between current and quick ratios was 0.54, around 30% $((1.86-1.32)/1.86*100\%)$ liquid assets from the inventory. It compared with the Crocodile's 0.53 times and Bauhaus's 2.96 times. The liquid assets from the inventory of Crocodile and Bauhaus were 12% and 34%, respectively. It was average in the industry (CFI Team, 2020c).

Cash Ratio - It strictly determines the capability of liquidity further because this ratio only considers cash, and marketable securities. These assets are the easiest available to pay the short-term bills.

Giordano's cash ratio was 0.93 times in 2021, that needed to be cautions and diligent of the risks. However, this index was compared with the other two companies that were better than Crocodile. Bauhaus was too much cash on hand even with its cash ratio of 2.7. So, Giordano was the reasonable ratio in the industry.

3.4 Leverage Ratios

A leverage ratio is used to measure the relation of debt to capital or assess the ability of a company to fulfill the financial obligations (Hayes, 2020b). This report used the common ratios that included Total Debt Ratio, Debt-to-Equity Ratio, Long Term Debt Ratio, and Equity Multiplier (EM). Table 3-5 lists the comparison of leverage ratios for three companies.

Table 3-5: Leverage Ratio Comparison.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Total Debt Ratio (%)	39.09%	39.97%	45.21%	30.40%	33.80%	29.13%	25.25%	39.69%	13.97%
Debt/Equity Ratio	0.64	0.67	0.83	0.44	0.51	0.41	0.34	0.66	0.16
Long Term Debt Ratio (%)	3.90%	3.80%	0.00%	13.45%	14.08%	0.84%	11.77%	27.50%	0.09%
Equity Multiplier (EM)	1.64	1.67	1.83	1.44	1.51	1.41	1.34	1.66	1.16

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

Total Debt Ratio - It is used to analyze company leverage that purchased the assets by using debt. If the percentage is high, a company's asset of finance has relied on leverage and high financial risk (Hayes, 2020b).

Giordano's total debt ratio of 39.09% in 2021 means that 39.09% of the company's assets are funded via debt. The total debt ratio was around 39% - 45 % in the latest three years. The assets amount of the company was higher than the liabilities, so the company can sell its assets to fulfill the obligations if necessary. Compared with the other two companies in the last three years, Crocodile was around 30%, and Bauhaus's total debt ratio fluctuated but was still under 40%. Three companies' total debt ratio were close to each other, and Giordano's total debt ratio was normal in the peer group.

Debt/Equity Ratio - It is used to calculate and analyze a company's total liabilities related to shareholder equity. It is a crucial valuation metric of corporate because it indicates a company's dependence on borrowed funds and ability to fulfil financial obligations (Fernando, 2022).

Giordano's Debt/Equity (D/E) ratio of 0.64 was lower than 1, indicating a lower amount of debt financing via lenders or shares fund-raising via shareholders. This value compared with Crocodile and Bauhaus; three companies were very close to each other. Although Giordano was higher than Crocodile and Bauhaus, Giordano market areas were more than the other two companies. It gave the capital expenditures needed to operate the store in the different regions. It was reasonable that the value was higher since it was likely to have more liabilities.

Long Term Debt Ratio - It is like debt/equity ratio but is considered only long-term debt. This ratio carries more risk than short-term obligations (Kenton, 2020).

Giordano was only interest expense as long-term debt and long-term debt ratio of 3.9% in 2021. Moreover, its long-term debt ratios were under 5% in the latest three years. The other two companies long term debt ratio was under 15%, with low risk. The ratio of Giordano was lower than Crocodile and Bauhaus in peer group comparison, indicating very low financial risk in terms of long-term debt.

Equity Multiplier (EM) - It is used for measuring the portion of the asset of company that is financed by equity rather than by debt. A high EM value indicates that a company has a high level of debt to finance the purchase of assets (Nickolas, 2022).

Giordano used the stockholder's equity to finance for creating 1.64 times the company's assets, and the EM value was close to Crocodile and Bauhaus. Three companies had lower financial leverage for purchasing assets. On the other hand, it means that three companies were not incurred excessive debt to finance their assets. They were less risky investments because they had a lower debt burden.

3.5 Coverage Ratios

A coverage ratio measures a company's ability to service its debt and its ability to pay its interest payments or dividends. The higher the coverage ratio is easier to settle the interest payments on its debt or pay dividends. Two common ratios were used to analyze in this report that included interest coverage ratio (also called "times interest earned") and cash coverage ratio (Hayes, 2020a). Table 3-6 lists the comparison of coverage ratios for three companies.

Table 3-6: Coverage Ratio Comparison.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Times Interest Earned	9.07	-2.56	7.22	1.41	-13.37	2.68	11.41	-9.76	-92.13
Cash Coverage	35.97	30.63	22.89	4.20	5.44	8.39	28.37	18.00	323.68

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

Times Interest Earned - It indicates the number of times a company's interest expenditure may be covered by its operational revenue (CFI Team, 2020b).

Giordano had times interest earned of 9.07 in 2021; the operational income would be sufficient to cover its interest payment 9.07 times over. This value was close to Bauhaus but compared with Crocodile's 1.41, that was a good index. So, Giordano had the stability and healthiness for short-term obligations.

Cash Coverage – It compares the firm's cash position against its yearly interest expenditure. Cash coverage is a conservative index because it compares just cash on hand against interest expenditure (CFI Team, 2020b).

The cash coverage of three companies was like the figure of times interest earned. Giordano and Bauhaus were close to each other and higher than Crocodile. Giordano had a good index in the peer group.

3.6 Efficiency Ratios

It measures a company's ability to manage assets and liabilities effectively in the current period or the short-term. These ratios determine how long it takes to produce cash or revenue from a customer or by selling off goods. These ratios assess a company's capacity to make revenue from its assets and asset management efficiency (Nickolas, 2021). The inventory turnover, receivables turnover, and total asset turnover ratios were adopted to analyze the three companies' abilities and conduct a comparison. Table 3-7 lists the comparison of efficiency ratios for three companies.

Table 3-7: Efficiency Ratio Comparison.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Inventory Turnover	2.39	3.19	3.66	1.05	0.94	1.49	1.88	3.11	2.23
Day's Sales in Inventory (days)	153	115	100	348	391	246	195	118	164
Receivable Turnover	17.16	18.58	22.89	6.57	10.01	16.07	128.24	76.29	30.37
Avg Collection Period (days)	22	20	16	56	37	23	3	5	13
Period of Credit (days)	42	44	25	61	111	79	4	4	23
Operating Period (days)	175	135	116	404	428	269	198	123	177
Cash Period (days)	134	92	91	343	317	191	194	119	154
Total Asset Turnover	0.80	0.71	0.93	0.05	0.07	0.09	0.62	1.00	1.51

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

Inventory Turnover - It assesses a company's ability to properly manage its inventory and provides information into its sales. The ratio counts the number of times inventory is "turned" or sold during a certain time frame. The ratio is used by analysts to analyze whether there are sufficient sales to flip or utilize the inventory. The ratio also indicates the inventory management efficiency, including whether too much or too little inventory is purchased (Nickolas, 2021).

Giordano's inventory turnover ratio, and day's sales in inventory were the bests in the peer group. It implied Giordano's strong sales which was important to reduce storage and the holding cost. The high ratio not only potentially increased the opportunity cost but also prevented significant risks from fluctuating market prices and situation such as COVID-19 and obsolescence.

Receivable Turnover - Also known as the debtor's turnover ratio, measures the company's effectiveness in collecting its revenue. A high ratio is better, as it represents that the company's collection of accounts receivable is frequent and efficient. Moreover, the company has high-quality customers who pay their debts quickly (Murphy, 2022).

Giordano's receivable turnover was 17.16 times that did not have a good index compared to Bauhaus, which was 128.24 times. Although the ratio of Giordano was better than Crocodile but needed to be cautioned for reassessing its credit policies to ensure the timely collection of its receivables. The average collection period, and period of credit for Giordano were 22 and 42 days, respectively. Both values were not the best if compared to the other companies in the peer group but still were reasonable level as the industry standard of the credit period. The

operating period and cash period were the best used the shortest period for goods delivery and cash receiving.

Total Asset Turnover - It measures the company's revenue relative to the value of assets. This ratio indicates the efficiency of a company that is using its assets to generate revenue. The higher turnover rate means the company generates revenue from assets more efficiently (Hayes, 2022a).

Giordano's had the highest asset turnover ratio in the peer group. The ratio was lower than 1 but it was highly industry specific. Compared with companies in the peer group, their competitors were also lower than 1. So, an asset turnover ratio of 0.8 should be good value in the retail industry.

3.7 Market Value Ratios

This ratio is used to evaluate whether the share price of the company is overpriced or underpriced (Bragg, 2022). Table 3-8 lists the comparison of market value ratios for three companies.

Table 3-8: Market Value Ratio Comparison.

Company	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Market Capitalization ¹ (HKD in Million)	\$2,352.62	\$1,814.27	\$3,709.48	\$397.97	\$312.69	\$663.28	\$202.06	\$220.43	\$477.59
PE Ratio	12.42	-1.62	16.10	84.00	-1.08	23.33	2.03	-1.28	-7.69
Market-to-book Ratio	0.92	0.69	1.30	0.26	0.20	0.36	0.45	0.41	0.64
Dividend Yield (%)	8.99%	6.52%	11.36%	0.00%	0.00%	0.00%	26.36%	0.00%	0.00%

(Source: Calculated by Author based on three companies' annual reports 2019-2021.) (See Appendix VII.)

Note1: Stock value was a close date at the end of the financial year (source: <https://finance.yahoo.com/>) (See Appendix II)

Giordano's PE ratio of 12.42 was higher than Bauhaus's, but the dividends return was more stable in the last three years. Moreover, the market-to-book ratio of 0.92 was lower than 1. Investors potentially favored Giordano's stock.

4. Corporate Governance

Corporate Governance is the rules, practices, and processes used to direct and manage a company. It provides a framework for attaining a company's objectives. The basic principles of corporate governance are fairness, transparency, responsibility, accountability, and risk management, which cover the areas of corporate strategy, ethical behavior, environmental awareness, and social responsibility (Chen, 2022).

Giordano maintained the highest levels of corporate governance within a reasonable and functional structure. Four independent non-executive directors, two non-executive directors, and three executive directors made up the Giordano Board. The duties included drafting, revising, and monitoring the company's policies, code of conduct, compliance manual, and Group's disclosure procedure. Figure 4-1 shows the role of members in three Board committees.

Figure 4-1: Giordano's Board Committees Members (Giordano, 2022a).

董事會成員	Members of the Board	審核委員會 Audit Committee	提名委員會 Nomination Committee	薪酬委員會 Remuneration Committee
執行董事	Executive Directors			
劉國權博士 (主席兼行政總裁)	Dr. LAU Kwok Kuen, Peter (Chairman and Chief Executive)	—	C	M
陳嘉緯博士	Dr. CHAN Ka Wai	—	—	—
羅學文先生	Mr. Mark Alan LOYND	—	—	—
非執行董事	Non-executive Directors			
鄭志剛博士 JP	Dr. CHENG Chi Kong JP	—	—	—
陳世昌先生	Mr. CHAN Sai Cheong	—	—	—
獨立非執行董事	Independent Non-executive Directors			
畢滌凡博士	Dr. Barry John BUTTIFANT	C	M	M
鄺其志先生 GBS, JP	Mr. KWONG Ki Chi GBS, JP	M	—	—
黃旭教授	Professor WONG Yuk (alias, HUANG Xu)	M	M	C
Alison Elizabeth LLOYD 博士	Dr. Alison Elizabeth LLOYD	M	M	—

附註：

C 有關董事委員會的主席
M 有關董事委員會的成員

Notes:

C Chairman of the relevant Board Committees
M Member of the relevant Board Committees

(Source: Giordano's Annual Report 2021.)

The members of the Board have different roles, and responsibilities for segregation of duties except Dr. Lau Kwok Kuen, Peter, holds the positions of Chairman and Chief Executive. Giordano used a variety of controls to preserve the openness, accountability, and independence that were crucial for protecting the interests of all stakeholders and achieving shareholder value.

1. The Board members have no substantial or relevant financial, commercial, familial, or other links.
2. Except for two independent Non-executive Directors who have served more than nine years, each Director shall be replaced at least once every three years.
3. Members of the Audit Committee are all Independent Non-Executive Directors with no conflicts of interest.
4. Constructed a "whistleblower" system to allow Group workers to anonymously and privately report any suspected acts of fraud or gross misconduct to the Internal Audit Department, including the Chairman and Chief Executive. The internal IA team and the Internal Audit Advisor directly report to the Audit Committee twice each year
5. The Nomination Committee has created a nomination policy to guarantee impartiality icy.
6. The Management Committee has reacted to executing its business plans and overseeing the Group's companies' daily operations.
7. The Board is accountable for reviewing and deciding the type and magnitude of risks.

The corporate governance of Giordano followed the Corporate Governance Guide for Boards and Directors, that including key functions of the Board, Board's role, director's duties, whistleblowing and anti-corruption arrangement, Board committee's role and functions, risk management and internal control (HKEX, 2021).

5. Major Investment Project

Giordano plans a new project that opening a new store in a shopping mall with technological innovation to provide a unique shopping experience for customers. The virtual fitting kiosks will be installed in the new store to enhance the fitting and make a customer more satisfied. Moreover, the company will develop a virtual fitting mobile application (app) that integrating into the current online shopping mobile application to enhance the online shopping experience on the mobile app.

5.1 Project Investment Information

The project's basic information was listed as follows. Table 5-1 listed the investment project's basic information.

Table 5-1: Project basic information.

Project Costs (HKD)		Remarks
Store size in mall (sq. ft.)	7,000	Cost of rental store in shopping mall.
Store rental price (HKD/per sq. ft.)	\$400	Assumption for rental cost is \$400/per sq. ft. (See appendix III.)
Virtual Fitting Kiosk (unit price)	\$80,000	Assumption for kiosk price is \$80,000/unit. (See appendix IV.)
Virtual Fitting Kiosk maintenance (5 years)	\$80,000	Assumption for annual maintenance cost is 20% of hardware cost.
No. of kiosk (unit)	4	Assumption for 1 kiosk is served for 2,000 sq. ft. area
Virtual Fitting mobile application development	\$786,500	The cost of development. (See appendix IV.)
Virtual Fitting mobile application maintenance (5 years)	\$786,500	Assumption for annual maintenance cost is 20% of hardware cost.
Total project cost		
Store rental cost for 5 years	\$168,000,000	Store size in mall x Store rental price = \$7,000 x 400 x 60 months

Virtual Fitting Kiosks with 5 years maintenance for HK's stores	\$640,000	(Virtual fitting kiosk cost + maintenance cost) x no. of kiosk: (\$80,000 + \$80,000) x 4 sets
Virtual Fitting mobile application with 5 years maintenance	\$1,573,000	Virtual fitting mobile app cost + 5 years maintenance cost: \$786,500 + \$786,500
Decoration	\$7,000,000	Assumption for decoration cost is \$1,000/sq. ft (See Appendix V.)
Total project cost (HKD in Million)	\$177.21	

(Source: Calculated by Author)

The new store size is 7,000 sq. ft. and deploys four virtual fitting kiosks in the store to serve customers. The virtual fitting mobile application will be developed for integration with kiosks and the current online shipping application. The initial investment cost was listed in Table 5-1.

Table 5-2: Others Basic Information.

Others Information		Remarks
Equipment depreciation years	5	Giordano was defined in annual report 2021 on page 85.
Sales Growth Rate	8.26%	((revenue in 2021 – revenue in 2020) / revenue in 2020) * 100%:
Final Growth Rate	2%	Refer to news from HKSAR (hksar, 2021).
Tax rate of corporate in Hong Kong	16.5%	Refer to tax rates of HKSAR (hksar, 2022).
EBITDA (%)	22.4%	Refer to Table 3-3: Profitability Ratio Comparison.
ROA (%)	5.3%	Refer to Table 3-3: Profitability Ratio Comparison.
Cash Period (days)	134	Refer to Table 3-7: Efficiency Ratio Comparison.
Online sales in 2021 (HKD in Million)	\$409	Refer to Table 2-2: Contribution of Sales from 2019 to 2021.

(Source: Calculated by Author)

The other information was listed in table 5-2 for calculating the profit and cash flow of the project.

Table 5-3: Project first year of sales.

Project items		Remarks
Sales per sq. ft	\$2,500	Assumption for sales per sq. ft. (based on annual report in 2021 - 1,964,000 sq. ft. of retail floor space to generate revenue \$3,380M)
Sales from new store (HKD in Million)	\$17.5	7,000 sq. ft (store size) x 2,500 (sales per sq. ft.)
Online sales (HKD in Million)	\$102.25	Assumption for online sales globally has 25% growth based on the online sales growth trend. (Refer to Table 2-2)
Total Sales (HKD in Million)	\$119.75	

(Source: Calculated by Author)

The \$2,500 sales per sq. ft. are estimated from the new store, so it is forecasted to generate \$17.5 million in sales from the new store. Moreover, the virtual fitting application is estimated to generate \$102.25 million in sales on the online channel.

Table 5-4: Project profit calculation.

Items (HKD in Million)	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.
Sales (last year sales x (1+growth rate))	\$119.75	\$129.64	\$140.35	\$151.94	\$164.49
EBITDA (22.4%)	\$26.82	\$29.04	\$31.43	\$34.03	\$36.84
Depreciation for equipments and decoration (straight line depreciation method for 5 years - 20%)					
Virtual fitting kiosks depreciation	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13
Virtual fitting mobile application depreciation	\$0.31	\$0.31	\$0.31	\$0.31	\$0.31
Decoration depreciation	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Total Depreciation	\$1.84	\$1.84	\$1.84	\$1.84	\$1.84
EBIT	\$24.98	\$27.19	\$29.59	\$32.19	\$35.00
Tax Cost (HK Tax Rate: 16.5%)	\$4.12	\$4.49	\$4.88	\$5.31	\$5.77
Profit	\$20.86	\$22.71	\$24.71	\$26.88	\$29.22

(Source: Calculated by Author)

Table 5-5: Project profit calculation.

Items (HKD in Million)	1 Yr.	2 Yr.	3 Yr.	4 Yr.	5 Yr.
EBITDA	\$26.82	\$29.04	\$31.43	\$34.03	\$36.84
Expenditure 1	\$6.42	\$6.96	\$7.53	\$8.15	\$8.83
Expenditure 2	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40
Tax (HK Tax Rate: 16.5%)	\$4.12	\$4.49	\$4.88	\$5.31	\$5.77
Cashflow	\$14.87	\$16.19	\$17.62	\$19.17	\$20.84

(Source: Calculated by Author)

Note1: Working Capital the first-year calculation (annual direct sales x operating cashflow period/365) => 17.5m x 134/365.
Next year's calculation = previous year's working capital x (1+sales growth rate)

Note2: Assumption for annual decoration cost: 7m/5 years = 1.4m per year.

Note3: Assume the final growth rate is used after 5 years.

The new project's investment was around 5.2% of annual sales in 2021. The new project is estimated to generate annual sales of \$119.75m in the first year, profit of \$20.86 million and cashflow of \$14.87 million. Project five years profit and cashflow will increase each year and are listed in Table 5-4 and Table 5-5.

5.2 Capital Investment Appraisals (CIA)

The capital investment appraisal (CIA) is used to evaluate the performance of projects and help decide whether to invest this project. Especially, the long-term project's investment that a large amount of money is involved over time. The current value is not equivalent to the value in the future. CIA has several types of methods that including Net Present Value (NPV), Payback Value (PBP), Internal Rate of Return (IRR), Profitability Index (PI), and Accounting Rate of Return (ARR) to evaluate the project (Pinkasovitch, 2022).

- I. NPV - It calculates the value of cashflow in and out over a period. If $NPV > 1$, the project can be accepted.
- II. PBP - It calculates the amount of time to receive back the cost of the investment. Shorter is better.
- III. IRR - It calculates a discount rate for making the NPV of all cashflow equal zero.
- IV. PI - It calculates the profit to investment ratio. If $PI > 1$, the project can be accepted.
- V. ARR – It calculates the percentage of return expected on the investment.

After performing the appraisals for the new project based on the project information in section 5.1, Table 5-6 listed the result of CIA as follows.

Table 5-6: CIA Calculation for Investment Project.

Year	Cashflow in/(out)	PV of cashflow	CUM Cashflow	Profit	ROA	5.3%
0	-\$177.21	-\$177.21	-\$177.21		Final growth rate	2%
1	\$14.87	\$14.13	-\$162.34	\$20.86		
2	\$16.19	\$14.60	-\$146.15	\$22.71		
3	\$17.62	\$15.09	-\$128.53	\$24.71		
4	\$19.17	\$15.59	-\$109.36	\$26.88		
5	\$20.84	\$16.10	-\$88.52	\$29.22		
6	\$21.26	\$15.59	-\$67.26	\$29.81		
7	\$21.68	\$15.10	-\$45.58	\$30.40		
8	\$22.12	\$14.63	-\$23.46	\$31.01		
9	\$22.56	\$14.17	-\$0.90	\$31.63		
10	\$23.01	\$13.73	\$22.11	\$32.26		
11	\$23.47	\$13.30	\$45.58	\$32.91		
12	\$23.94	\$12.88	\$69.52	\$33.57		
13	\$24.42	\$12.48	\$93.94	\$34.24		
14	\$24.91	\$12.09	\$118.84	\$34.92		
15	\$25.40	\$11.71	\$144.25	\$35.62		
Method 1 NPV	33.98	33.98				
Method 2 PBP	9 Years		1 Months			
Method 3 IRR	7.8%					
Method 4 PI	1.19					
Method 5 ARR	17.0%					

(Source: Calculated by Author)

The above investment appraisal analysis shows shown PBP is 9 years and 1 month. The value of NPV and PI are large than 1. The ARR is 17%, higher than the ROA of 5.3% in 2021. Moreover, the methods of NPV and IRR have time consideration for the assessment. Therefore, Giordano's new project can be invested in a positive return.

6. Financing and Capital Management

The initial investment in a new project is a total of 177.21 million HKD. The different financing methods for this project were considered based on Giordano's financial situation. The financing methods included cash, issuing new shares, sale of assets, and bank loans.

- I. **Cash** – The payment is used internal cash for funding the projects. The cash of Giordano had \$1,043m in 2021 (See Appendix VI.). The funding for a new project is the sourced from cash. However, Giordano's cash ratio of 0.93 (refer to Table 3-4) has lower than 1. If the project cost of HKD \$177.21 million is funded by cash, it was around 17% of cash in 2021. The cash ratio will decrease further and increase the financial risk for the company.
- II. **Issue new shares** – Giordano has authorized of shares of 2,000 million and issued shares of 1,579 million. There are around 421 shares that can be issued further. The new shares fund-raising will reduce the ROE and affect the interest of shareholders. Issue new shares are not recommended as funding raising for a new project.
- III. **Sale of assets** – Giordano's ROA of 5.3% and the quick ratio has 1.32 that have a buffer to sale its assets for funding a new project. It is a possible way for raising a funding.
- IV. **Bank loan** - The interest rate of the Group's bank loans in 2021 was 1.1%. The interest rate of the bank loans in 2020 and 2019 were 1.6% and 2.4%, respectively (Giordano, 2021). The interest rate of last three years in average was 1.7%. Moreover, the cash coverage ratio of 35.97 (refer to Table-3.6) has enough buffer to pay more interest. It is the other possible way for project funding raising.

There are only sale of assets and bank loan possible methods as new project funding raising after conducted the above financing methods analysis. However, the ROA of 5.3% has higher return than interest expense. So, if compare of ROA and interest rate, bank loan method should be adopted for new project funding raising.

7. Conclusion

The financial situation of Giordano was analyzed by comparing in peer group, corporate governance, and new project investment. There were some findings in the analysis and needed to be cautions.

Financial analysis

1. The gross profit margin was close in the peer group but very low net profit margin that implied the high cost of operating business. The staff cost was \$579 million in 2021 (Giordano, 2021), and Depreciation and amortization were \$494 million (See appendix VI.) that a large portion of cost of operating.
2. Cash ratio of 0.93 was lower than 1, the cash was not enough to pay the liabilities if necessary.
3. Receivable turnover has been potential improved to increase the turnover rate.

Corporate governance

1. The retirement policy did not strictly follow that allowed two independent Non-executive Directors to serve more than nine years.
2. The roles of chairman and chief executive were performed by the same individual.

8. Recommendation

The recommendations and audit plan are proposed Giordano for improvement as follows.

Financial analysis

1. The expenditure for staff should be reviewed and control the staff cost. Moreover, Depreciation and amortization was high that implied large amount of assets. The company should use the assets to generate a revenue for increasing the ROA ratio.
2. The credit policy should be reviewed and reduce the credit period that offer to business partners for improving a Cash ratio and receivable turnover ratio.

Corporate governance

1. Giordano should be strictly followed the retirement policy that director is rotation at least once every three years to prevent any compliance issue and provide a confidence for shareholders.
2. The roles chairman and chief executive should be separate and performed by different individual to prevent conflict of interest.

Annual Operational Plan

The above recommendations and a new investment project in section 5 were proposed the schedule as Figure 8-1 by prisonization that will potentially improve the overall performance.

Figure 8-1: Project Scheule 2022/203

Project Tasks	Q4 2022			Q1 2023			Q2 2023			Q3 2023			Q4 2023	
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov
New project implementation														
Fund-Raising from Bank Loan														
Rental store in shopping mall														
Virtual Fitting Mobile Application Development														
Decoration and Virtual Fitting Kiosks Installation														
New Store Launch														
Virtual Fitting Mobile Application Launch														
Maintaining effective employee costs controls														
Review the credit policy with feasibility for reducing credit period that is offered partner														
Nomination and appointment for new members of Board committee														
Feasibility for separating the roles Chairman and Chief Executive or additional controls to prevent conflict of Interest														

(Source: Constructed by Author)

Appendix I – Stock Price on 26 August 2022

Giordano - <http://www.aastocks.com/en/stocks/quote/quick-quote.aspx?symbol=00709>

Quick Quote

Detailed Quote

Latest

Technical Analysis

Dynamic Chart

Stock Trend

Transaction

Block Trade

Money Flow

Peers

News

AA Move

Dividend

Fundamen

00709

GIORDANO INT*

(00709.HK)

HSI 20,170

HSIF Dis 2

Crocodile - <http://www.aastocks.com/en/stocks/quote/quick-quote.aspx?symbol=00122>

Quick Quote

Detailed Quote

Latest

Technical Analysis

Dynamic Chart

Stock Trend

Transaction

Block Trade

Money Flow

Peers

News

AA Move

Dividend

Fundamentals

00122

CROCODILE

(00122.HK)

HSI 20,170 0

+201 (1.01%)

Turn.103B

HSCEI 6,920

+72 (1.05%)

Closed(HKD)	Change	Vol. Lot	Bid(Delayed) ¹	Prev. Close/Open
0.300	0.000	347.00k	0.295	0.300 / 0.305
	Change(%)	Turnover	Ask(Delayed) ¹	Range
	0.000%	105.70k	0.300	0.295 - 0.310
Average Price	0.305	Short Sell Turn./Ratio (%) ¹⁰	N/A	
P/E Ratio ⁵ / TTM ⁶	No Profit / No Profit	EPS (HKD) ⁵	-0.002	
Yield ⁷ / TTM ⁸	N/A	Dividend Payout / DPS (HKD) ⁷	N/A	
P/B Ratio / NAV ⁹	0.186 / 1.616	Moneyflow ¹¹	-14.68K	
Vol. / Rate Ratio	0.523 / -0.435%	Turnover Rate (%)	0.037%	
Amplitude	5.000%	Average Volume (3M)	746.34K	
Mkt Cap.	284.26M	Exchange	HKEX	
Lots	1000	Spread	0.005 / 0.005	
Recent Dividend		Ex Date	2018-12-19	
Particular	D:HKD 0.0100	Payable Date	2019-01-30	

Updated: 2022/08/26 16:08

Bauhaus - <http://www.aastocks.com/en/stocks/quote/quick-quote.aspx?symbol=00483>

Quick Quote

Detailed Quote

Latest

Technical Analysis

Dynamic Chart

Stock Trend

Transaction

Block Trade

Money Flow

Peers

News

AA Move

Dividend

Fundamentals

00483

BAUHAUS INT'

(00483.HK)

HSI 20,170

+201 (1.01%)

HSIF Dis 2

Turn.103B



HSCEI 6,920

+72 (1.05%)

Closed(HKD) ↓ 0.630	Change -0.020	Vol. Lot 214.00k	Bid(Delayed)¹ 0.620	Prev. Close/Open 0.650 / 0.660
	Change(%) -3.077%	Turnover 137.02k	Ask(Delayed)¹ 0.640	Range 0.620 - 0.660
Average Price	0.640	Short Sell Turn./Ratio (%) ¹⁰		N/A
P/E Ratio ⁵ ⓘ / TTM ⁶ ⓘ	1.624 / 1.624	EPS ⓘ (HKD) ⁵		0.388
Yield ⁷ ⓘ / TTM ⁸ ⓘ	127.778% / 127.778%	Dividend Payout ⓘ / DPS (HKD) ⁷		207.474% / 0.805
P/B Ratio ⓘ / NAV ⁹ ⓘ	1.230 / 0.512	Moneyflow ¹¹		3.94K
Vol. ⓘ / Rate Ratio ⓘ	0.439 / -45.050%	Turnover Rate (%) ⓘ		0.058%
Amplitude	6.154%	Average Volume (3M)		274.69K
Mkt Cap.	231.45M	Exchange		HKEX
Lots	2000	Spread		0.010 / 0.010
Recent Dividend		Ex Date ⓘ		2022-08-22
Particular	D:HKD 0.1650	Payable Date		2022-09-05

Updated: 2022/08/26 16:08

Appendix II - Year End Stock Price in 2019-21

Giordano – Year end stock price in 2019-21

佐丹奴國際 (0709.HK)

HKSE - HKSE 延遲價格。貨幣為 HKD。

☆ 加入追蹤清單

1.850 0.000 (0.00%)

收市價：7月15日 04:08PM HKT

內容摘要 圖表 對話 統計資料 歷史數據 基本資料 金融 分析 期權 持股人 可持續性



時段: 2021年12月25日 - 2022年1月01日

顯示: 過往股價

頻率: 每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2021年12月31日	1.480	1.490	1.480	1.490	1.400	248,000
2021年12月30日	1.490	1.490	1.470	1.480	1.390	120,000

佐丹奴國際 (0709.HK)

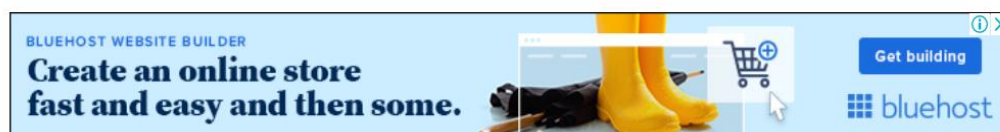
HKSE - HKSE 延遲價格。貨幣為 HKD。

☆ 加入追蹤清單

1.850 0.000 (0.00%)

收市價：7月15日 04:08PM HKT

內容摘要 圖表 對話 統計資料 歷史數據 基本資料 金融 分析 期權 持股人 可持續性



時段: 2020年12月30日 - 2021年1月01日

顯示: 過往股價

頻率: 每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2020年12月31日	1.150	1.150	1.150	1.150	0.999	-
2020年12月30日	1.160	1.180	1.120	1.140	0.990	5,622,000

1.850 0.000 (0.00%)

收市價：7月15日 04:08PM HKT

[內容摘要](#) [圖表](#) [對話](#) [統計資料](#) [歷史數據](#) [基本資料](#) [金融](#) [分析](#) [期權](#) [持股人](#) [可持續性](#)

 efinancialcareers

Huobi Asia Limited

Security Officer

Hong Kong

Lucion International Financial Limit...

Risk Assistant Dire...

Hong Kong

Mellora

Cyber Defence / Bl...

Hong Kong

時段: 2019年12月30日 - 2020年1月01日 ▾

顯示: 過往股價 ▾

頻率: 每天 ▾

套用

貨幣為 HKD

[↓ 下載](#)

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2019年12月31日	2.370	2.380	2.350	2.350	1.914	248,000
2019年12月30日	2.370	2.390	2.360	2.390	1.946	624,000

*收市價已按拆股調整。

**收市價因拆股和股息及/或資本盈利分派而經過調整。

Crocodile – Year end stock price in 2019-21

鱷魚恤 (0122.HK)

HKSE - HKSE 延遲價格。貨幣為 HKD。

☆ 加入追蹤清單

0.330 +0.020 (+6.45%)

收市價：8月12日 04:08PM HKT

內容摘要 圖表 對話 統計資料 歷史數據 基本資料 金融 分析 期權 持股人 可持續性



時段：2021年7月15日 - 2021年8月02日

顯示：過往股價

頻率：每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2021年7月30日	0.425	0.425	0.415	0.420	0.420	1,551,000

鱷魚恤 (0122.HK)

HKSE - HKSE 延遲價格。貨幣為 HKD。

☆ 加入追蹤清單

0.325 -0.005 (-1.52%)

收市價：8月11日 10:34AM HKT

內容摘要 圖表 對話 統計資料 歷史數據 基本資料 金融 分析 期權 持股人 可持續性



時段：2020年7月15日 - 2020年8月04日

顯示：過往股價

頻率：每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2020年8月03日	0.325	0.330	0.325	0.330	0.330	52,500
2020年7月31日	0.320	0.330	0.320	0.330	0.330	189,000

0.325 -0.005 (-1.52%)

收市價：8月11日 10:34AM HKT

[內容摘要](#) [圖表](#) [對話](#) [統計資料](#) [歷史數據](#) [基本資料](#) [金融](#) [分析](#) [期權](#) [持股人](#) [可持續性](#)

NET-A-PORTER

Enjoy
10% off

Shop using code FIRST10

Terms and conditions apply

時段：2019年7月15日 - 2019年8月01日

顯示：過往股價

頻率：每天

套用

貨幣為 HKD

[↓ 下載](#)

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2019年7月31日	0.700	0.700	0.700	0.700	0.700	31,000

Bauhaus – Year end stock price in 2019-21

包浩斯國際 (0483.HK)

HKSE - HKSE 延遲價格，貨幣為 HKD。

☆ 加入追蹤清單

0.820 -0.010 (-1.20%)

收市價：8月5日 02:41PM HKT

內容摘要 圖表 對話 統計資料 歷史數據 基本資料 金融 分析 期權 持股人 可持續性

yahoo! **Yahoo Rewards**
新會員暑假有口福
免費送 Mrs.Fields \$10 電子現金券

八月限定
為你獻上
滋味甜品!

立即
下載

\$10
電子現金券

時段：2021年2月01日 - 2021年4月01日

顯示：過往股價

頻率：每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2021年3月31日	0.550	0.550	0.550	0.550	0.224	-
2021年3月30日	0.540	0.540	0.540	0.540	0.220	-

包浩斯國際 (0483.HK)

HKSE - HKSE 延遲價格，貨幣為 HKD。

☆ 加入追蹤清單

0.820 -0.010 (-1.20%)

收市價：8月5日 02:41PM HKT

內容摘要 圖表 對話 統計資料 歷史數據 基本資料 金融 分析 期權 持股人 可持續性

←

Ad by **CXITEO** Report this ad Ad choices

時段：2020年2月01日 - 2020年4月01日

顯示：過往股價

頻率：每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2020年3月31日	0.600	0.600	0.600	0.600	0.137	-
2020年3月30日	0.550	0.600	0.550	0.600	0.137	10,000

包浩斯國際 (0483.HK)

HKSE - HKSE 延遲價格，貨幣為 HKD。

☆ 加入追蹤清單

0.820 -0.010 (-1.20%)

收市價：8月5日 02:41PM HKT

[內容摘要](#) [圖表](#) [對話](#) [統計資料](#) [歷史數據](#) [基本資料](#) [金融](#) [分析](#) [期權](#) [持股人](#) [可持續性](#)

← Ad by **CRITEO** [Report this ad](#) [Ad choices](#)

時段: 2019年3月01日 - 2019年4月02日

顯示: 過往股價

頻率: 每天

套用

貨幣為 HKD

↓ 下載

日期	開市	最高	最低	收市*	經調整收市價**	成交量
2019年4月01日	1.300	1.300	1.300	1.300	0.280	-
2019年3月29日	1.300	1.300	1.300	1.300	0.280	256,000

Appendix III – Store Rental Price

19/08/2022, 22:06

松本清大肆擴充 傳沙田+屯門都開分店 | 商舖 | 工商舖單位 • 地產站 Property Station • D220107

松本清大肆擴充 傳沙田+屯門都開分店

商舖 10:42 2022/01/07

讚好 0



日本藥粧店松本清進軍香港，繼落戶銅鑼灣開設大型旗艦店後，隨即在多個商場進行擴充，並已租用本港商場舖，包括觀塘apm商場4,000呎舖位，預計本月尾開業。另消息稱品牌亦在沙田新城市廣場、屯門市廣場開設分店。

平均呎租約300至400元

較早前日本藥粧店松本清落實攻港，首間分店選址在觀塘。據悉，觀塘apm商場UG層17及19號舖，面積近4,000平方呎，獲松本清預租。近日該舖已圍板，印有松本清品牌標誌，更標示「開店準備中」，標明為「香港1號店」，並預告本月尾開業。

據悉，該舖位處商場連接港鐵站對上一層，屬商場內優質舖位之一，之前由本地時裝品牌租用多年，早前遷出。租金方面，估計平均呎租約300至400元。（節錄）

Appendix IV – Virtual Fitting Price

Virtual Fitting Kiosk Price

19/08/2022, 23:31

Best Quality Virtual 3d Fitting Room For Shopping Mall,Clothing - Buy 3d Virtual Fitting Room,Cloud Mirror,Sensing Interactive Clothes

What are you looking for...

Sign
Join

Home / All Industries / Commercial Service Equipment / Advertising Equipment / Other Advertising Equipment [Subscribe to Trade Alert](#)



Best quality Virtual 3D fitting room for shopping mall, Clothing

FOB Reference Price: [Get Latest Price](#)

>= 1 sets

HK\$78,442.00

Benefits: Quick refunds on orders under US \$1,000 [Claim now >](#)

quantity: sets

Shipping: Sea freight

[View larger image](#)



☐ Add to Compare [Share](#)

You may also like

				
Best quality Virtual 3D fitting room for shopping mall	Best quality Virtual 3D Fitting Room & Dressing Room	Awesome!! 3D Hologram holographic projector 3D	2017 new advertising equipment 3d holograph	Cloud Mirror 3D Virtual Fitting Room Sensing
HK\$78,442,00	HK\$11,766,30 - HK\$39,...	HK\$2,353,26 - HK\$3,8...	HK\$1,176,63 - HK\$11,...	HK\$78,442,00
1 set (MOQ)	1 piece (MOQ)	1 set (MOQ)	5,0 pieces (MOQ)	1 set (MOQ)

https://www.alibaba.com/product-detail/Best-quality-Virtual-3D-fitting-room_60623433817.html

Virtual Fitting Mobile Application Development Price



Tel: 2270 1000 Fax: 3611 6271 Website: www.technergy.com.hk
Address: Room B, 12/F, King Palace Plaza, 55 King Yip Street, Kwun Tong, Kowloon

QUOTATION

Client: Quotation No: AT220829-01-Q02
Date: 31 Aug 22
Attn: Ray Chiang Tel: 9800 6024 Ref. No.
Fax: From: Alex Tsang (9304 9117)

Item	Description	Qty	Unit Price HK\$	Amount HK\$
1	Virtual Fitting Mobile Application (App) Development Development Scope: Importing product pictures User account management and authorization UI components Room/shopper pictures Comments Download image Office LTSC Professional Plus 2021 Virtual Fitting App integratd with Giordano's online shopping app	1	\$ 786,500.00	\$ 786,500.00
2	Annual software maintenance	1	\$ 157,300.00	\$ 157,300.00

Terms: C.O.D.

Validity: 7 days

Delivery:

TOTAL	\$ 943,800.00
--------------	----------------------

Technergy Solutions Limited

Alex Tsang

Authorized Signature

Accepted by:
0

Signature and Chop

Appendix V – Decoration Price

20/08/2022, 14:06

商業裝修攻略 | 開零售商舖、開餐廳食肆、開辦公室裝修及設計須知 | 好師傅 Codeco.hk | - 好師傅

(/)



(<https://codeco.hk/zh-tw/cases/338/>)

灣仔餐廳，賣家7,000，裝修費650萬 (<https://codeco.hk/zh-tw/cases/338/>)

5. 市場平均價格參考

由於不同的裝修 (/zh-tw/) 要求與樓宇本身狀態，都會大大影響裝修 (/zh-tw/) 費用，下面所列的裝修 (/zh-tw/) 價格僅提供一個粗略參考。

商業裝修 (/zh-tw/) 市場價格	
辦公室裝修 (/zh-tw/)	約 \$ 400 - 1200 / 平方呎*
零售店裝修 (/zh-tw/) (餐廳除外)	約 \$ 200 - 1,000 / 平方呎*
餐廳裝修 (/zh-tw/)	平均約 \$ 500 至 1,200 / 平方呎*

*一般面積越大，平均裝修 (/zh-tw/) 費呎價會越低

<https://codeco.hk/zh-tw/renovation101/136/>

Appendix VI – Financial Information of Three Companies

Company (HKD in Million)	Giordano			Crocodile			Bauhaus		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Net Current Assests	\$960.00	\$916.00	\$714.00	-\$181.33	-\$161.06	-\$256.87	\$263.58	\$264.60	\$429.10
Total Assets	\$4,208.00	\$4,383.00	\$5,196.00	\$2,200.62	\$2,306.41	\$2,566.19	\$599.30	\$888.72	\$862.15
Retained earnings (exclude dividends)	\$2,165.00	\$2,282.00	\$2,492.00	\$1,199.20	\$1,194.42	\$1,486.44	\$411.21	\$499.22	\$705.00
EBIT (Operating (loss)/profit)	\$263.00	-\$105.00	\$397.00	\$16.31	-\$271.71	\$45.70	\$107.25	-\$180.12	-\$56.57
Stock Value (HKD) ¹	\$1.49	\$1.15	\$2.35	\$0.42	\$0.33	\$0.70	\$0.55	\$0.60	\$1.30
Number of Shares (Million Shares)	1,578.94	1,577.63	1,578.50	\$947.54	\$947.54	\$947.54	367.38	367.38	367.38
Total Liabilities	\$1,645.00	\$1,752.00	\$2,349.00	\$669.10	\$779.67	\$747.43	\$151.35	\$352.76	\$120.41
Sales	\$3,380.00	\$3,122.00	\$4,852.00	\$112.00	\$151.27	\$235.35	\$371.89	\$887.31	\$1,300.58
Total Equity	\$2,563.00	\$2,631.00	\$2,847.00	\$1,531.52	\$1,526.74	\$1,818.77	\$447.95	\$535.95	\$741.75
Profit (loss) after income taxes for the year (Net Income after tax)	\$223.00	-\$108.00	\$289.00	\$4.78	-\$292.02	\$28.65	\$99.73	-\$172.60	-\$62.10
Interest (Finance Expense)	\$29.00	\$41.00	\$55.00	\$11.53	\$20.32	\$17.05	\$9.40	\$18.45	\$0.61
Current Assets (CA)	\$2,082.00	\$2,094.00	\$2,366.00	\$266.94	\$365.08	\$383.75	\$362.22	\$469.93	\$543.11
non-Current Assets	\$2,126.00	\$2,289.00	\$2,830.00	\$1,933.68	\$1,941.33	\$2,126.30	\$237.08	\$418.78	\$319.04
Current Liabilities	\$1,122.00	\$1,178.00	\$1,652.00	\$448.26	\$526.14	\$696.77	\$98.63	\$205.33	\$114.01
Inventory	\$606.00	\$434.00	\$548.00	\$29.13	\$49.12	\$48.44	\$69.93	\$113.59	\$258.39
Cash	\$1,043.00	\$1,256.00	\$1,259.00	\$48.39	\$110.51	\$143.13	\$266.69	\$332.15	\$198.74
Long Term Liabilities (with interest bearing)	\$100.00	\$100.00	\$0.00	\$206.03	\$214.99	\$15.33	\$52.71	\$147.41	\$0.64
Depreciation and amortization	\$494.00	\$609.00	\$703.00	\$10.69	\$54.95	\$12.02	\$117.95	\$248.91	\$48.02
EBITDA	\$757.00	\$504.00	\$1,100.00	\$27.00	-\$216.76	\$57.72	\$225.20	\$68.79	-\$8.55
Cost of sales	\$1,450.00	\$1,386.00	\$2,006.00	\$30.56	\$45.96	\$72.01	\$131.31	\$352.99	\$575.23
Trade receivables	\$197.00	\$168.00	\$212.00	\$17.05	\$15.11	\$14.64	\$2.90	\$11.63	\$42.83
Trade payables	\$165.00	\$166.00	\$139.00	\$5.15	\$14.00	\$15.52	\$1.50	\$4.05	\$36.61
Earnings per share	\$0.120	-\$0.710	\$0.146	\$0.01	-\$0.31	\$0.03	\$0.27	-\$0.47	-\$0.169
Dividends Paid	\$212.00	\$118.00	\$421.00	\$0.00	\$0.00	\$0.00	\$53.27	\$0.00	\$0.00
Dividend Per Share	\$0.134	\$0.075	\$0.267	\$0.00	\$0.00	\$0.00	\$0.145	\$0.000	\$0.000
Stock Value (HKD) on 26 Aug 2022	\$1.84			\$0.30			0.63		

Appendix VII – Financial Comparison of Three Companies

Company		Giordano			Crocodile			Bauhaus		
		2021	2020	2019	2021	2020	2019	2021	2020	2019
A	1.2	0.2281	0.2090	0.1374	-0.0824	-0.0698	-0.1001	0.4398	0.2977	0.4977
B	1.4	0.5145	0.5206	0.4796	0.5449	0.5179	0.5792	0.6862	0.5617	0.8177
C	3.3	0.0625	-0.0240	0.0764	0.0074	-0.1178	0.0178	0.1790	-0.2027	-0.0656
D	0.6	1.4302	1.0355	1.5792	0.5948	0.4011	0.8874	1.3350	0.6249	3.9664
E	0.999	0.8032	0.7123	0.9338	0.0509	0.0656	0.0917	0.6205	0.9984	1.5085
Z-Score		2.86	2.23	2.97	1.10	0.56	1.37	3.50	1.85	5.41
Current Ratio		1.86	1.78	1.43	0.60	0.69	0.55	3.67	2.29	4.76
Quick Ratio		1.32	1.41	1.10	0.53	0.60	0.48	2.96	1.74	2.50
Cash Ratio		0.93	1.07	0.76	0.11	0.21	0.21	2.70	1.62	1.74
Total Debt Ratio (%)		39.09%	39.97%	45.21%	30.40%	33.80%	29.13%	25.25%	39.69%	13.97%
Debt/Equity Ratio		0.64	0.67	0.83	0.44	0.51	0.41	0.34	0.66	0.16
Long Term Debt Ratio (%)		3.90%	3.80%	0.00%	13.45%	14.08%	0.84%	11.77%	27.50%	0.09%
Equity Multiplier (EM)		1.64	1.67	1.83	1.44	1.51	1.41	1.34	1.66	1.16
Times Interest Earned		9.07	-2.56	7.22	1.41	-13.37	2.68	11.41	-9.76	-92.13
Cash Coverage		35.97	30.63	22.89	4.20	5.44	8.39	28.37	18.00	323.68
Inventory Turnover		2.39	3.19	3.66	1.05	0.94	1.49	1.88	3.11	2.23
Day's Sales in Inventory (days)		153	115	100	348	391	246	195	118	164
Receivable Turnover		17.16	18.58	22.89	6.57	10.01	16.07	128.24	76.29	30.37
Average Collection Period (days)		22	20	16	56	37	23	3	5	13
Period of Credit (days)		42	44	25	61	111	79	4	4	23
Operating Period (days)		175	135	116	404	428	269	198	123	177
Cash Period (days)		134	92	91	343	317	191	194	119	154
Total Asset Turnover		0.80	0.71	0.93	0.05	0.07	0.09	0.62	1.00	1.51
Gross Profit Margin (%)		57.10%	55.61%	58.66%	72.71%	69.62%	69.40%	64.69%	60.22%	55.77%
Net Profit Margin (%)		6.60%	-3.46%	5.96%	4.27%	-193.05%	12.17%	26.82%	-19.45%	-4.77%
EBITDA Margin (%)		22.40%	16.14%	22.67%	24.11%	-143.30%	24.53%	60.56%	7.75%	-0.66%
Return on Assets (ROA after tax)		5.30%	-2.46%	5.56%	0.22%	-12.66%	1.12%	16.64%	-19.42%	-7.20%
Return on Equity (ROE after tax)		8.70%	-4.10%	10.15%	0.31%	-19.13%	1.58%	22.26%	-32.20%	-8.37%
Market Capitalization ¹ (HKD in Million)		\$2,352.62	\$1,814.27	\$3,709.48	\$397.97	\$312.69	\$663.28	\$202.06	\$220.43	\$477.59
PE Ratio		12.42	-1.62	16.10	84.00	-1.08	23.33	2.03	-1.28	-7.69
Book Value Per Share		\$1.62	\$1.67	\$1.80	\$1.62	\$1.61	\$1.92	\$1.22	\$1.46	\$2.02
Market-to-book Ratio		0.92	0.69	1.30	0.26	0.20	0.36	0.45	0.41	0.64
Sustainable Growth Rate (%)		84.47%	86.74%	87.53%	78.30%	78.23%	81.73%	91.80%	93.15%	95.05%
Dividend Payout Ratio		95.07%	-109.26%	145.67%	0.00%	0.00%	0.00%	53.41%	0.00%	0.00%
Dividend Yield (%)		8.99%	6.52%	11.36%	0.00%	0.00%	0.00%	26.36%	0.00%	0.00%
Growth Rate (%)		8.26%	-35.66%	-11.93%	-25.96%	-35.73%	-11.19%	-58.09%	-31.78%	-6.27%

Appendix VIII – Consolidate Income Statement and Balance Sheet 2021

合併利潤表 CONSOLIDATED INCOME STATEMENT

截至2021年12月31日止年度
For the year ended December 31, 2021

(除每股盈利(虧損)外， 以百萬港元為單位)	(In HK\$ million, except earnings (loss) per share)	附註 Note	2021	2020
銷售額	Sales	5	3,380	3,122
銷售成本	Cost of sales	7	(1,450)	(1,386)
毛利	Gross profit		1,930	1,736
其他收入及其他收益，淨額	Other income and other gains, net	6	118	183
分銷費用	Distribution expense	7	(1,604)	(1,800)
行政費用	Administrative expense	7	(181)	(224)
經營溢利(虧損)	Operating profit (loss)	7	263	(105)
融資費用	Finance expense	8	(29)	(41)
應佔合營公司溢利	Share of profit of joint ventures	20	41	39
除所得稅前溢利(虧損)	Profit (loss) before income taxes	5	275	(107)
所得稅	Income taxes	11	(52)	(1)
本年度除所得稅後溢利(虧損)	Profit (loss) after income taxes for the year		223	(108)
應佔：	Attributable to:			
本公司股東	Shareholders of the Company		190	(112)
非控制性權益	Non-controlling interests		33	4
			223	(108)
本公司股東應佔之 每股盈利(虧損)	Earnings (loss) per share attributable to shareholders of the Company	12		
基本(港仙)	Basic (HK cents)		12.0	(7.1)
攤薄(港仙)	Diluted (HK cents)		12.0	(7.1)

合併綜合收益表

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

截至2021年12月31日止年度

For the year ended December 31, 2021

(以百萬港元為單位)	(In HK\$ million)	附註 Note	2021	2020
本年度除所得稅後溢利(虧損)	Profit (loss) after income taxes for the year		223	(108)
其他綜合收益：	Other comprehensive income:			
不會重新分類至損益賬之項目：	Items that will not be reclassified to profit or loss:			
於其他綜合收益按公允值處理之金融資產公允值變動	Fair value change on financial asset at fair value through other comprehensive income	19	1	(2)
或可重新分類至損益賬之項目：	Items that may be reclassified to profit or loss:			
海外附屬公司、合營公司及分公司換算之匯兌調整	Exchange adjustments on translation of overseas subsidiaries, joint ventures and branches		(31)	26
本年度總綜合收益(虧損)	Total comprehensive income (loss) for the year		193	(84)
應佔：	Attributable to:			
本公司股東	Shareholders of the Company		161	(83)
非控制性權益	Non-controlling interests		32	(1)
			193	(84)

合併資產負債表

CONSOLIDATED BALANCE SHEET

2021年12月31日
December 31, 2021

(以百萬港元為單位)	(In HK\$ million)	附註 Note	2021	2020
資產	ASSETS			
流動資產	Current assets			
現金及銀行結存	Cash and bank balances	14	1,043	1,256
應收賬款及其他應收款	Trade and other receivables	16	411	395
存貨	Inventories	17	606	434
租金預付款項	Rental prepayments	18	3	2
可收回所得稅款	Income tax recoverable		19	7
流動資產總額	Total current assets		2,082	2,094
非流動資產	Non-current assets			
於其他綜合收益按公允值處理之金融資產	Financial asset at fair value through other comprehensive income	19	4	3
於損益賬按公允值處理之金融資產	Financial asset at fair value through profit or loss	15	28	28
按金及其他應收款	Deposits and other receivable	16	117	97
一間合營公司權益	Interest in a joint venture	20	513	549
投資物業	Investment properties	21	22	23
物業、機器及設備	Property, plant and equipment	22	119	130
使用權資產	Right-of-use assets	23	686	822
商譽	Goodwill	24	541	541
遞延稅項資產	Deferred tax assets	32	96	96
非流動資產總額	Total non-current assets		2,126	2,289
資產總額	Total assets		4,208	4,383
負債及權益	LIABILITIES AND EQUITY			
流動負債	Current liabilities			
銀行貸款	Bank loans	29	68	52
應付賬款及其他應付款	Trade and other payables	30	510	518
租賃負債	Lease liabilities	23	337	427
授出認沽期權負債	Put option liabilities	31	81	81
應付所得稅	Income tax payables		126	100
流動負債總額	Total current liabilities		1,122	1,178

財務報表附註(續) NOTES TO THE FINANCIAL STATEMENTS (continued)

2021年12月31日
December 31, 2021

24. 商譽(續)

董事認為於2021年及2020年12月31日海灣阿拉伯國家合作委員會地區並無商譽減值。

本集團履行對商譽年度減值測試的關鍵假設進行敏感性分析。用於商譽減值測試之關鍵假設的適度變動將不會使海灣阿拉伯國家合作委員會地區之現金產出單元之賬面金額超過其可收回金額。假若海灣阿拉伯國家合作委員會地區的預估年銷售增長率降低2.6個百分點(2020年: 1.0個百分點)或稅前貼現率提高4.0個百分點(2020年: 1.6個百分點), 以上改變單獨發生, 則可收回金額將與賬面金額相若。

24. GOODWILL (continued)

The Directors are of the opinion that there was no impairment of the GCC goodwill as at December 31, 2021 and 2020.

The Group has performed a sensitivity analysis on key assumptions used for the annual impairment test for the GCC goodwill. A reasonably possible change in key assumptions used in the impairment test for goodwill would not cause any of the carrying amount of the GCC CGUs to exceed its respective recoverable amount. If the GCC's forecasted annual sales growth rate had been lower by 2.6 percentage points (2020: 1.0 percentage points), or the pre-tax discount rate had been higher by 4.0 percentage points (2020: 1.6 percentage points) with all changes taken in isolation, the recoverable amount would approximate its carrying amount.

25. 股本

25. SHARE CAPITAL

(除股份數目外, 以百萬港元為單位)	(In HK\$ million, except number of shares)	股份數目 Number of shares	股本 Share capital
法定每股面值5港仙之普通股:	Authorized ordinary shares of HK\$0.05 each:		
於2020年1月1日、 2020年12月31日、 2021年1月1日及 2021年12月31日	At January 1, 2020, December 31, 2020, January 1, 2021, December 31, 2021	2,000,000,000	100
已發行及全數繳足:	Issued and fully paid:		
於2020年1月1日	At January 1, 2020	1,578,500,518	79
年內購回及註銷之股份	Share repurchased and cancelled during the year	(870,000)	-
於2020年12月31日及 2021年1月1日	At December 31, 2020 and January 1, 2021	1,577,630,518	79
因行使購股權而發行之股份	Issue of shares pursuant to exercise of share options	1,306,000	-
於2021年12月31日	At December 31, 2021	1,578,936,518	79

Reference List

- Aastocks (2022) *Giordano Detailed Quote*, Aastocks.com. Available at: <https://www.aastocks.com/en/stocks/quote/detail-quote.aspx?symbol=00709> (Accessed: August 26, 2022).
- Alibaba (no date) *Best Quality Virtual 3d Fitting Room For Shopping Mall*, Alibaba.com. Available at: https://www.alibaba.com/product-detail/Best-quality-Virtual-3D-fitting-room_60623433817.html (Accessed: September 1, 2022).
- bauhaus (2020) *Bauhaus Annual Report 2019*, bauhaus.com.hk. Available at: <https://appapi.bauhaus.com.hk/upload/2020-03-08/288c07de-7019-4e28-806e-51e972acaec.pdf> (Accessed: September 1, 2022).
- bauhaus (2021) *Bauhaus Annual Report 2020*, bauhaus.com.hk. Available at: <https://appapi.bauhaus.com.hk/upload/2020-07-17/c8c4cabe-9c1c-4692-8393-de726c7dd390.pdf> (Accessed: September 1, 2022).
- bauhaus (2022) *Bauhaus Annual Report 2021*, bauhaus.com.hk. Available at: <https://appapi.bauhaus.com.hk/upload/2021-07-15/274f6dad-b290-4ef9-a0db-e4073a338957.pdf> (Accessed: September 1, 2022).
- Bragg, S. (2022) *Market value ratios* —, AccountingTools. Available at: <https://www.accountingtools.com/articles/market-value-ratios.html> (Accessed: August 30, 2022).
- CFI Team (2020a) *Altman's Z-Score model*, Corporate Finance Institute. Available at: <https://corporatefinanceinstitute.com/resources/knowledge/credit/altmans-z-score-model/> (Accessed: August 27, 2022).
- CFI Team (2020b) *Coverage Ratio*, Corporate Finance Institute. Available at: <https://corporatefinanceinstitute.com/resources/knowledge/finance/coverage-ratio-overview/> (Accessed: August 29, 2022).
- CFI Team (2020c) *Liquidity ratio*, Corporate Finance Institute. Available at: <https://corporatefinanceinstitute.com/resources/knowledge/finance/liquidity-ratio/> (Accessed: August 28, 2022).
- Chen, J. (2022) *What is corporate governance?*, Investopedia. Available at: <https://www.investopedia.com/terms/c/corporategovernance.asp> (Accessed: August 30, 2022).
- Codeco (2021) *商業裝修攻略 | 開零售商舖、開餐廳食肆、開辦公室裝修及設計須知 | 好師傅* Codeco.hk / - 好師傅, Codeco.hk. Available at: <https://codeco.hk/zh-tw/renovation101/136/> (Accessed: September 1, 2022).
- crocodile (2019) *Crocodile Annual Report 2019*, crocodile.com.hk. Available at: https://www.crocodile.com.hk/attachment/financial_report/1658368951diy8V.pdf (Accessed: September 1, 2022).
- crocodile (2020) *Crocodile Annual Report 2020*, crocodile.com.hk. Available at: https://www.crocodile.com.hk/attachment/financial_report/1658368225NJd0x.pdf (Accessed: September 1, 2022).
- crocodile (2021) *Crocodile Annual Report 2021*, crocodile.com.hk. Available at: https://www.crocodile.com.hk/attachment/financial_report/1658290689bQYSR.pdf (Accessed: September 1, 2022).
- Fernando, J. (2022) *Debt-to-equity (D/E) ratio formula and how to interpret it*, Investopedia. Available at: <https://www.investopedia.com/terms/d/debtequityratio.asp> (Accessed: August 29, 2022).

Fortunebusinessinsights (no date) *Virtual fitting room market size & share*, *Fortunebusinessinsights.com*. Available at: <https://www.fortunebusinessinsights.com/industry-reports/virtual-fitting-room-vfr-market-100322> (Accessed: September 1, 2022).

Giordano (2020) *Giordano Annual Report 2019*, *corp.giordano.com.hk*. Available at: http://corp.giordano.com.hk/files/financial_reports/2019-12-31%2000.00.00.9196/2020041600435.pdf (Accessed: September 1, 2022).

Giordano (2021) *Giordano Annual Report 2020*, <http://corp.giordano.com.hk/>. Available at: http://corp.giordano.com.hk/files/financial_reports/2020-12-31%2000.00.00.7910/2021042000498_c.pdf (Accessed: August 31, 2022).

Giordano (2022a) *Giordano Annual Report 2021*. Available at: http://corp.giordano.com.hk/files/financial_reports/2021-12-31%2000.00.00.5998/ew0709.pdf (Accessed: August 13, 2022).

Giordano (2022b) *Milestones*, *corp.giordano.com.hk*. Available at: <http://corp.giordano.com.hk/en/milestones.aspx> (Accessed: August 22, 2022).

Hayes, A. (2020a) *Coverage Ratio*, *Investopedia*. Available at: <https://www.investopedia.com/terms/c/coverageratio.asp> (Accessed: August 29, 2022).

Hayes, A. (2020b) *Leverage Ratio Definition*, *Investopedia*. Available at: <https://www.investopedia.com/terms/l/leverageratio.asp> (Accessed: August 28, 2022).

Hayes, A. (2022a) *Asset Turnover Ratio*, *Investopedia*. Available at: <https://www.investopedia.com/terms/a/assetturnover.asp> (Accessed: August 30, 2022).

Hayes, A. (2022b) *Profitability Ratios*, *Investopedia*. Available at: <https://www.investopedia.com/terms/p/profitabilityratios.asp> (Accessed: August 30, 2022).

Hket (2022) 地產新聞及樓市分析, *Hket.com*. Available at: <https://ps.hket.com/article/3149713> (Accessed: September 1, 2022).

HKEX (2021) *Corporate Governance Guide for Boards and Directors*, *hkex.com.hk*. Available at: https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Corporate-Governance-Practices/guide_board_dir.pdf (Accessed: August 30, 2022).

hksar (2021) *HK economic outlook positive: FS*, *Hong Kong's Information Services Department*. Available at: https://www.news.gov.hk/eng/2021/02/20210224/20210224_101330_635.html (Accessed: August 31, 2022).

hksar (2022) *Tax Rates of profits tax*, *www.gov.hk*. Available at: <https://www.gov.hk/en/residents/taxes/taxfiling/taxrates/profitsrates.htm> (Accessed: August 31, 2022).

Jaiswal, S. (2022) *What is Financial Management? Its Nature & Scope*, *Emeritus - Online Certificate Courses | Diploma Programs*. Emeritus. Available at: <https://emeritus.org/in/learn/what-is-financial-management/> (Accessed: August 6, 2022).

Kenton, W. (2020) *Long-term debt-to-total-assets ratio definition*, *Investopedia*. Available at: <https://www.investopedia.com/terms/l/long-term-debt-to-total-assets-ratio.asp> (Accessed: August 29, 2022).

Li, C. and Cohen, F. (2021) "In-home application (App) for 3D virtual garment fitting dressing room," *Multimedia tools and applications*, 80(4), pp. 5203–5224. doi: 10.1007/s11042-020-09989-x.

Maverick, J. B. (2021) *The difference between gross profit margin and net profit margin*, *Investopedia*. Available at: <https://www.investopedia.com/ask/answers/021215/what-difference-between-gross-profit-margin-and-net-profit-margin.asp> (Accessed: August 30, 2022).

Murphy, C. B. (2022) *Receivables Turnover Ratio*, Investopedia. Available at: <https://www.investopedia.com/terms/r/receivableturnoverratio.asp> (Accessed: August 29, 2022).

Nickolas, S. (2021) *What do efficiency ratios measure?*, Investopedia. Available at: <https://www.investopedia.com/ask/answers/040715/what-do-efficiency-ratios-measure.asp> (Accessed: August 29, 2022).

Nickolas, S. (2022) *Which is better: A high or low equity multiplier?*, Investopedia. Available at: <https://www.investopedia.com/ask/answers/042115/which-better-high-or-low-equity-multiplier.asp> (Accessed: August 29, 2022).

Phf-university (no date) *Financial management: What is it and why is it important?*, Pfh-university.com. Available at: <https://www.pfh-university.com/blog/financial-management-what-is-it-and-why-is-it-important.html> (Accessed: August 6, 2022).

Pinkasovitch, A. (2022) *An introduction to capital budgeting*, Investopedia. Available at: <https://www.investopedia.com/articles/financial-theory/11/corporate-project-valuation-methods.asp> (Accessed: August 31, 2022).

Quora (no date) *How do I interpret the Altman Z-score?*, Quora. Available at: <https://www.quora.com/How-do-I-interpret-the-Altman-Z-score> (Accessed: August 27, 2022).

Toly, A. A., Permatasari, R. and Wiranata, E. (2020) "The effect of financial ratio (Altman Z-score) on financial distress prediction in manufacturing sector in Indonesia 2016-2018," in *Proceedings of the 23rd Asian Forum of Business Education (AFBE 2019)*. Paris, France: Atlantis Press.

Yahoo Finance (2022) *Giordano International Limited (0709.HK)*, Yahoo Finance. Available at: <https://finance.yahoo.com/quote/0709.HK/history?period1=1661299200&period2=1661472000&interval=1d&filter=history&frequency=1d&includeAdjustedClose=true> (Accessed: August 26, 2022).

Yarmolovich, Y. (2021) "AR for the retail industry: How a virtual fitting room improves sales and customer retention," *HQSoftware*, 23 August. Available at: <https://hqsoftwarelab.com/blog/ar-for-retail/> (Accessed: September 1, 2022).