

致列位股東：

千禧伊始、萬象更新。際此送舊迎新，本公司管理層再度憑藉堅毅靈活之精神，領導公司渡過一段漫長的地區性經濟衰退時期。經過這次史無前例之金融風暴洗禮後，本公司的實力變得更雄厚。

本集團之股東應佔溢利錄得360,000,000港元（一九九八年：76,100,000港元）新高，而本年度營業額亦高達3,092,200,000港元（一九九八年：2,609,200,000港元）。年終之現金及銀行結餘為803,000,000港元（一九九八年：339,800,000港元），而平均存貨可供銷售日數為28天（一九九八年：44天），此乃本公司審慎理財之成果。董事會建議派付末期股息11.0港仙及特別股息17.0港仙，兩者均可選擇以股代息，以答謝各位股東之支持。

一九九九年不明朗之消費需求，令佐丹奴管理層作出新策略，將佐丹奴品牌重新定位，創造全新商機，為長遠發展奠下穩固基礎。

管理層並已履行承諾，成功帶領公司拓展業務至澳洲及印尼兩個各有特質及良好前景之市場。本公司相信該兩個市場之業務於二零零二年會有良好表現。

本公司以強勢推出Giordano Ladies及Giordano Junior新系列，亦同時針對一般家庭消費者，積極推廣物超所值之Bluestar Exchange新品牌系列。本公司相信該等系列會於不久之將來帶來豐厚回報。

Dear Shareholders,

As we bid farewell to the old millennium and welcome the new, your Company's management has once again proved its resilience by navigating your Company through a lengthy period of regional recession. Not only has your Company survived this unprecedented economic storm, it has become stronger than ever.

Profit attributable to shareholders rose to a record high of HK\$360.0 million (1998: HK\$76.1 million) and turnover for the year was a respectable HK\$3,092.2 million (1998: HK\$2,609.2 million). Cash and bank balances at the end of the year were HK\$803.0 million (1998: HK\$339.8 million) and the average inventory turnover, measured in days, was 28 (1998: 44), testimony of prudent financial stewardship. The Board has recommended a final dividend of 11.0 HK cents, plus a special dividend of 17.0 HK cents, both with a scrip option, a gesture to reward our valued shareholders.

The year 1999 challenged management to come through with re-positioning of the Giordano brand in the face of uncertain consumer demands and to actualize new opportunities, laying ground for longer term growth.

As pledged, the management successfully entered Australia and Indonesia, markets having different characteristics but both with promising prospects. We believe that substantial performance from these two new markets will come about by 2002.

New lines, including Giordano Ladies, Giordano Junior and Bluestar Exchange, our new brand targeting family shoppers who look for exceptional value, were either greatly reinforced or aggressively launched. These lines will pay off handsomely in the near future.

在重整採購系統及加強與供應商之聯繫後，本公司得以為客戶提供更超值之產品及服務，而本公司亦會繼續努力革新，務求發揮整條供應鏈之潛在價值。

在人材培訓方面，本公司之管理見習生培訓計劃已取得成果，孕育出一批在客戶服務及前線工作方面均積極進取及富管理才幹的年青人。本公司相信，這批充滿幹勁活力之新一代將於未來五年成為本公司之骨幹人員。同時，本公司亦有幸能成功吸引不少幹練及資深之零售行政人員參與開拓新市場及業務。

進入新世紀新天地，本公司必定會面對更大挑戰，包括要致力在這個數碼經濟時代服務網上客戶。我們必須保持精明及冷靜，分析及了解電子貿易熱潮、全球化進程不斷加速與客戶品味喜好迅速改變互動之實質影響。本公司洞悉所面對之機會及威脅，並正準備與策略性夥伴結盟，保持優勢，以應付新挑戰。

佐丹奴是一間獨特之機構。本公司熱誠而投入之員工及夥伴遍佈全球，致力建立優秀客戶服務、形象鮮明及產品物超所值之國際品牌。列位股東無盡之信賴及不竭之支持，實乃各員工及業務夥伴努力貢獻之最佳動力與回報。

劉國權

主席

二零零零年三月二日

Restructured merchandising systems, coupled with closer alliances with our suppliers, have yielded tremendous value to our customers. Innovative efforts will continue to unleash hidden value in the entire supply chain.

On people development, our Management Trainee Program has borne fruits, producing a new crop of solid managerial talents, well initiated in customer service and frontline operations. We believe that these young men and women will become your Company's core team in the next five years. At the same time, we were also fortunate to have attracted seasoned and experienced retail executives to our new markets and business start-ups.

Into the new millennium and uncharted waters, your Company must now face up to its biggest challenge — serving the digitized customers in the new digital economy. It is prudent for us to be sober in the understanding of the real implications of the interaction of the excitement of electronic trade, accelerating globalization, and the rapid changes in consumer preferences. Your Company is fully aware of both the opportunities and threats lying ahead and is forging alliances with strategic partners to ensure that we will be in a position to effectively deal with them.

Giordano is a truly unique organization. Our passionate, devoted colleagues and associates all over the world are focused in creating a World Brand that will be associated with superb customer service, easy-to-understand offerings, and great product value. Your continuing trust and support will be the best motivation and reward to them all.

LAU KWOK KUEN, PETER

Chairman

March 2, 2000