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(I) 購 回 股 份 授 權

以下說明文件乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）送達各股東，有關佐丹奴國際有限公司（「本公司」）將於二零零四年四月二十九日舉行之股東週年大會上提呈的一項載於股東週年大會通告內第六（二）項之普通決議案，以授予本公司董事（「董事」）一般性及無附帶條件授權以便在直至本公司下屆股東週年大會或在普通決議案所列明之較早期間內，隨時行使本公司之權力，以購回本公司已發行並全數繳付之股本中每股面值港幣五仙之普通股股份（「股份」）最多不超過於決議案通過當日本公司已發行股本之百分之十（「購回股份授權」）。

(I) SHARE REPURCHASE MANDATE

The following is the Explanatory Statement required to be sent to shareholders under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“Listing Rules”) relating to the ordinary resolution set out in item 6(2) in the notice of Annual General Meeting to be proposed at the Annual General Meeting of Giordano International Limited (“Company”) to be held on April 29, 2004 to approve a general and unconditional mandate to be given to directors of the Company (“Directors”) to exercise the powers of the Company to repurchase, at any time until the next Annual General Meeting of the Company or such earlier period as stated in the ordinary resolution, the issued and fully paid-up ordinary shares of HK\$0.05 each in the capital of the Company (“Shares”) representing up to a maximum of ten percent of the issued share capital of the Company at the date of the resolution (“Share Repurchase Mandate”).

(A) 建議購回股份授權

建議董事可行使本公司之權力，使董事可購回之股份數目不得超過購回股份授權決議案通過之日，本公司已發行股份之百分之十。於二零零四年三月二十二日，即印製本年報前最後可行日期（「最後可行日期」），本公司已發行股份數目為十四億四千四百四十六萬六千五百一十八股。待所提呈以批准購回股份授權之決議案通過後，並以本公司並無進一步發行或購回股份為基準，本公司根據購回股份授權可購回最多一億四千四百四十四萬六千六百五十一股股份。

(A) Proposed Share Repurchase Mandate

It is proposed that the Directors may exercise the powers of the Company to repurchase up to ten percent of the Shares in issue as at the date of the passing of the resolution to approve the granting to the Directors the Share Repurchase Mandate. As at March 22, 2004, being the latest practicable date prior to the printing of this annual report (“Latest Practicable Date”), the number of Shares in issue was 1,444,466,518 Shares. Subject to the passing of the proposed resolution for the approval of the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company, the Company would be allowed under the Share Repurchase Mandate to repurchase up to a limit of 144,446,651 Shares.

(B) 購回原因

董事深信倘若股東授予董事該一般性授權於市場上購回股份，可使本公司及其股東有最佳利益。該購回只會當董事根據市場實況及資金安排，認為購回股份可增加本公司資產淨值及／或股份盈利時，才會進行。

(B) Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from shareholders of the Company to repurchase Shares in the market. A repurchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will be to the benefit of the Company.

(C) 購回之資金

預期購回任何股份所需之資金，必須是依據百慕達法例及本公司組織章程大綱及細則所規定可合法用於該用途之資金。董事建議根據購回股份授權而作出之股份購回將由本公司之內部資源或現有之銀行信貸支付。

購回股份授權倘若全面付諸實行，可能會對本公司之營運資金或負債情況有重大之不利影響（比對本公司於其截至二零零三年十二月三十一日止年度之經審核財務報表所披露之狀況而言）。董事祇在彼等認為行使該授權並不會導致此等重大不利影響之情形下才會行使是項權力。

(D) 股價

過去十二個月每月在聯交所錄得之股份最高及最低價如下：

(C) Funding of Repurchases

Repurchases must be funded out of funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association and the Bye-Laws of the Company. The Directors propose that repurchases of Shares under the Share Repurchase Mandate would be financed from the Company's internal resources or existing banking facilities.

Whilst the Share Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited financial statements for the year ended December 31, 2003, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

(D) Share Prices

The highest and lowest prices at which Shares have traded on the Stock Exchange in each of the previous twelve months were as follows:

		最高 Highest	最低 Lowest
		港元 HK\$	港元 HK\$
二零零三年	2003		
三月	March	2.875	2.350
四月	April	2.450	1.830
五月	May	2.500	2.075
六月	June	2.700	2.300
七月	July	2.925	2.400
八月	August	3.300	2.500
九月	September	3.600	2.900
十月	October	4.100	3.400
十一月	November	3.800	3.050
十二月	December	3.750	3.400
二零零四年	2004		
一月	January	4.575	3.600
二月	February	4.900	3.775

(E) 一般資料

若股東批准購回股份授權予董事，現時董事或（在董事作出一切合理查詢後確知）其任何聯繫人士概無意將股份售予本公司。

董事已向聯交所作出承諾，將根據上市規則、百慕達法例及本公司組織章程大綱及細則，按照購回股份授權行使本公司購回股份之權力。

倘若股東批准購回股份授權，本公司之有關連人士（按上市規則定義）現時並無表示有意將股份售予本公司，而所述人士亦無承諾不會將任何該股份售予本公司。

於最後可行日期前六個月內，本公司並無購回任何股份。

倘因本公司根據購回股份授權行使購回股份之權力，而使股東所佔本公司投票權比例增加，則根據香港公司收購及合併守則（「收購守則」）第三十二條，該項增加將被視作一項收購。因此，某股東或一群一致行動之股東可取得或鞏固公司控制權，則須根據收購守則第二十六及三十二條提出強制收購建議。

(E) General Information

There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of the Directors who have a present intention to sell Shares to the Company in the event that the Share Repurchase Mandate is granted by shareholders.

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules, the laws of Bermuda and the Memorandum of Association and Bye-Laws of the Company.

No connected person of the Company (as defined in the Listing Rules) have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Share Repurchase Mandate is granted by shareholders.

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Share Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code of Takeovers and Mergers (the "Takeovers Code"). As a result, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

下列股東於最後可行日期已根據證券及期貨條例(「該條例」)第 XV 部第二及三分部向本公司披露，並已根據該條例第三百三十六條列入記錄於本公司存置之登記冊，擁有本公司之股份或相關股份之權益或淡倉，及倘若董事行使全部權力購回股份，各自股本中之權益會增加如下：

The interests or short positions of the following shareholders in the shares or underlying shares of the Company which have been disclosed to the Company, at the Latest Practicable Date, pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (“SFO”) and have been recorded in the register kept by the Company pursuant to section 336 of the SFO; together with the respective total interests would be increased in the event that the Directors exercise in full the Share Repurchase Mandate:

名稱 Name	股份數目 No. of shares	權益百分率概約 Approximate percentage of interests	若行使全部購回股份授權之權益百分率概約 Approximate percentage of interests if the Share Repurchase Mandate is exercised in full
Aberdeen Asset Management Asia Ltd	177,848,800	12.31%	13.68%
Harris Associates L.P.	144,006,200	9.97%	11.08%
State Street Corporation	119,884,027	8.30%	9.22%
J.P. Morgan Chase & Co.	114,952,071	7.96%	8.84%
Matthews International Capital Management, LLC	74,835,000	5.18%	5.76%

因此，董事並不知悉，任何因根據購回股份授權購回股份，而就收購守則而言可能出現之情況。

Accordingly, the Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchase made under the Share Repurchase Mandate.

(II) 更改本公司細則

由於修訂的上市規則將於二零零四年三月三十一日起生效，當中包括股東提交提名董事通告之通知期、董事於董事會會議上就董事及其聯繫人士擁有重大權益的事宜投票及股東於股東大會上投票。為使本公司細則符合經修訂的上市規則，董事建議把本公司細則作出載於股東週年大會通告中特別決議案第六(四)項之修訂，同時亦對本公司細則作出其他更新。

(II) AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

Due to the amendments to the Listing Rules which will come into effect on March 31, 2004, among other things, the lodgment period for the nomination of directors by shareholders, voting of directors at board meetings on any matters in which they or their respective associates have a material interest and voting of shareholders at general meetings. In order to enable the Company's Bye-Laws consistent with the amended Listing Rules, the Directors proposed to amend the Company's Bye-Laws in this respect together with certain updates in the manner set out in the special resolution under item 6(4) of the Notice of Annual General Meeting.