GIORDANO

GIORDANO INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED DECEMBER 31, 2003

RESULTS

The board of directors of Giordano International Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended December 31, 2003, together with the comparative figures for the previous year, as follows:

(In HK$ millions except earnings per share)	*Note*	**2003**	(Restated) 2002
Turnover	*2*	**$ 3,389**	$ 3,588
Cost of sales		**(1,755)**	(1,911)
Gross profit		**1,634**	1,677
Other revenue		**78**	100
Distribution expense		**(970)**	(994)
Administrative expense		**(141)**	(147)
Other operating expense		**(237)**	(251)
Operating profit	*2,3*	**364**	385
Finance expense		**(3)**	(4)
Share of profits of associated companies		**21**	85
Profit before taxation		**382**	466
Taxation	*4*	**(89)**	(114)
Profit after taxation		**293**	352
Minority interests		**(27)**	(24)

(In HK$ millions except earnings per share)	*Note*	**2003**	(Restated) 2002
Profit attributable to shareholders		**$ 266**	$ 328
Dividends	*5*	**$ 303**	$ 274
Earnings per share	*6*		
Basic		**18.5 HK cents**	22.8 HK cents
Diluted		**18.4 HK cents**	22.6 HK cents

Notes:

1. Principal accounting policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). The financial statements are prepared under the historical cost convention.

In the current year, the Group has changed its accounting policy following its adoption of the Statement of Standard Accounting Practice ("SSAP") 12 "Income Tax" (revised) issued by the HKSA which is effective for accounting years commencing on or after January 1, 2003.

In prior years, deferred taxation was accounted for at the current taxation rate in respect of timing difference between taxable profit and accounting profit to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future.

Under the revised SSAP 12, deferred tax liabilities are provided in full on all temporary differences while deferred tax assets are not recognized unless it is probable that future taxable profit will be available against which the temporary differences can be utilized. The change in accounting policy has been applied retrospectively, resulting in prior year adjustments with the opening balances of equity at January 1, 2002 and 2003 were reduced by HK$60 million and HK$74 million respectively, which represent the unprovided net deferred tax liabilities in the two years. This change has resulted in an increase in deferred tax assets and deferred tax liabilities as well as a decrease in investment in associated companies at December 31, 2002 by HK$10 million, HK$79 million and HK$5 million respectively. The profit for the year ended December 31, 2002 and the equity at that date have been reduced by HK$13 million and HK$74 million respectively.

2. Turnover and segment information

(a) An analysis of the Group's turnover and operating profit by business segments is as follows:

(In HK$ millions)	**2003** Turnover	**2003** Operating profit	(Restated) 2002 Turnover	(Restated) 2002 Operating profit
Retail and Distribution	**$3,221**	**$316**	$3,375	$320
Manufacturing	**685**	**42**	759	54
Other operation	**–**	**3**	–	6
Eliminations	**(517)**	**3**	(546)	5
	$3,389	**$364**	$3,588	$385

The geographical segments of the Group's turnover is as follows:

(In HK$ millions)	**2003**	2002
Mainland China	**$ 818**	$ 862
Hong Kong	**726**	784
Taiwan	**604**	677
Singapore	**349**	372
Korea	**170**	202
Japan	**146**	200
Other territories *(Note 2(b))*	**576**	491
	$3,389	$3,588

There is no major disparity in the ratios between turnover and profit in relation to the above geographical locations, hence no analysis was presented on profit contributions from the above geographical locations.

(b) The joint venture was dissolved and the entire 23-outlet *Bluestar Exchange* chain was closed on September 30, 2002. The turnover of HK$21 million from Germany market was included in other territories for year 2002.

3. Operating profit

The operating profit is stated after charging:

(In HK$ millions)	**2003**	2002
Depreciation of owned fixed assets	**$100**	$110
Depreciation of fixed assets held under finance leases	**3**	3
Net loss on disposal of fixed assets	**10**	13

4. Taxation

The provision for taxation of the Company and its Hong Kong subsidiaries is calculated by applying the current rate of taxation of 17.5 percent (2002: 16.0 percent) to the estimated assessable profits earned in or derived from Hong Kong during the year. In 2003, the government enacted a change in the profits tax rate from 16 percent to 17.5 percent for the fiscal year 2003/2004. Taxation on the profits of other subsidiaries operating overseas is calculated at the rates applicable in the respective jurisdictions.

(In HK$ millions)	**2003**	(Restated) 2002
Company and subsidiaries:		
Income tax		
Current income tax		
Hong Kong profits tax	**$24**	$ 22
Overseas taxation	**59**	43
Over provision in previous year		
Hong Kong profits tax	**(1)**	(4)
	82	61
Withholding tax	**7**	8
Deferred tax		
Relating to the origination and reversal of temporary differences	**(9)**	18
Effect of an increase tax rate	**1**	–
	(8)	18
Associated companies:		
Overseas taxation	**8**	27
Taxation charge	**$89**	$114

5. Dividends

(In HK$ millions)	**2003**	2002
Interim dividend – 1.5 HK cents (2002: 4.5 HK cents) per share	**$ 22**	$ 65
Interim special dividend – 3.0 HK cents per share (2002: Nil)	**43**	–
Final dividend – proposed after balance sheet date of 4.5 HK cents (2002: 4.5 HK cents) per share	**65**	65
Special dividend – proposed after balance sheet date of 12.0 HK cents (2002: 10.0 HK cents) per share	**173**	144
	$303	$274

The proposed dividends are not reflected as a dividend payable in the financial statements, but will be reflected in the financial statements for the year ending December 31, 2004.

6. Earnings per share

The calculation of basic and diluted earnings per share are based on the consolidated profit attributable to shareholders for the year of HK$266 million (2002: HK$328 million (restated)).

The basic earnings per share is based on the weighted average of 1,440,972,515 shares (2002: 1,438,649,229 shares) in issue during the year.

The diluted earnings per share is based on 1,440,972,515 shares (2002: 1,438,649,229 shares) which is the weighted average number of shares in issue during the year plus the weighted average of 5,098,298 shares (2002: 13,394,797 shares) deemed to be issued if all outstanding share options granted under the share option scheme of the Company had been exercised.

MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF GROUP OPERATIONS

Turnover

Total turnover for the full year amounted to HK$3,389 million (2002: HK$3,588 million), a decrease of 5.5 percent year-on-year; or a 6.8 percent decline if foreign exchange gains were excluded. This marks a significant improvement from the 13.2 percent year-on-year decline recorded in the first half of the year.

Down 4.6 percent year-on-year, sales from the Retail and Distribution Division were HK$3,221 million (2002: HK$3,375 million), constituting 95.0 percent of the Group's total turnover.

After the elimination of inter-segment transactions, sales from the Manufacturing Division were HK$168 million (2002: HK$213 million), a 21.1 percent decrease from the prior year. Before the elimination of inter-segment transactions, sales dropped 9.7 percent from the previous year, to HK$685 million (2002: HK$759 million).

Gross Profit

Gross profit fell 2.6 percent to HK$1,634 million (2002: HK$1,677 million) in 2003. Gross profit margins held up firmly during the SARS period, mainly attributable to effective management on inventory. Successful product launches and better product mix in the second half helped manage gross profit margins to a level of 48.2 percent (2002: 46.7 percent), an improvement of 150 basis points from 2002.

Management will continue to work on margin improvement, mainly by offering meaningfully differentiated and high value-added products and reducing cost of goods through better sourcing capabilities.

Operating Expenses

Operating expenses, totaling HK$1,348 million (2002: HK$1,392 million), declined by 3.2 percent year-on-year. Distribution expense was trimmed by 2.4 percent, to HK$970 million (2002: HK$994 million), primarily due to a seven percent decline in shop staff cost. Such savings were partly offset by a slight increase in shop occupancy charge, brought about by trading area expansion during the fourth quarter. Saleable area of directly managed stores increased to 650,000 square feet by the end of December 31, 2003 (2002: 599,000 square feet). Administrative expense fell 4.1 percent to HK$141 million (2002: HK$147 million). The decrease was largely resulted from cost saving measures initiated in the second quarter, in response to the difficult operating environments in the key markets caused by SARS.

Other operating expense fell to HK$237 million in 2003, from HK$251 million in 2002, down 5.6 percent year-on-year. The decline was partly attributable to a six percent decrease in advertising and promotion expenses. In 2004, management anticipates advertising and promotion expenses to return to a normal level.

Operating Profit and Earnings before Interest, Taxation, Depreciation and Amortization Expense (EBITDA)

Operating profit was HK$364 million, down 5.5 percent from HK$385 million registered in 2002.

Operating margin was 10.7 percent, remaining at the same level as that of the previous year.

Operating profit from the Retail and Distribution Division totaled HK$316 million (2002: HK$320 million), representing 86.8 percent (2002: 83.1 percent) of the Group's operating profit. During the year, operating margin for the Division improved from 9.5% in 2002 to 9.8%.

EBITDA amounted to HK$488 million (2002: HK$583 million), down 16.3 percent year-on-year, due to a steep decline in profits from associated companies. EBITDA margin fell 180 basis points to 14.4 percent (2002: 16.2 percent).

Profit Attributable to Shareholders

Profit attributable to shareholders, totaling HK$266 million (2002: HK$328 million), represented an 18.9 percent decline year-on-year. Share of profits of associated companies retreated by 75.3 percent, largely owing to the lackluster performance of our key associated company in Korea.

The Groups' effective tax rate decreased slightly to 23.3 percent, from 24.5 percent in 2002. Future effective tax rates will be dependent on the composition of profit contribution from the Group's various markets.

Cash Flow

Cash inflow from operating activities increased to HK$498 million (2002: HK$481 million). This reflects the natural results of lower operating profit, higher payables due to cyclical purchases and lower receivables reported at the end of 2002.

Cash outflow for investing activities, amounting to HK$42 million, was significantly lower than the HK$150 million reported in 2002. The difference can be accounted for by the absence of a HK$100 million deposit made towards a Hong Kong flagship store in 2002.

Cash outflow for financing activities increased to HK$300 million from HK$268 million in 2002, mainly due to larger dividends of HK$274 million paid in 2003 (2002: HK$202 million). During the year, there were no new bank borrowings or repayment of bank loans; which contrasted with the HK$71 million repayment in bank loans and HK$23 million of new loans in 2002.

GROUP FINANCIAL POSITION

At December 31, 2003, the Group had cash and bank deposits of HK$850 million (2002: HK$667 million).

The Group's working capital increased to HK$911 million from HK$861 million during 2003. Current ratio was 2.5 times, slightly decreased from the 2.8 times at the end of 2002.

At the end of the year, the Group's inventory totaled HK$222 million, down from the HK$252 million recorded in 2002. Inventory turnover on sales was 24 days, compared to 26 days in 2002. The lower than usual inventory was resulted from Management's strategy of keeping a leaner stock level during difficult operating period. Assuming a normal operating environment in 2004, Management will build inventory turnover back to the Group's target range of 28 to 32 days.

At December 31, 2003, total liabilities were HK$685 million, up from HK$564 million at the end of 2002, reflecting higher seasonal purchases. Shareholders' equity was HK$1,799 million, almost the same as the HK$1,794 million at the end of 2002. Gearing ratio based on shareholders' equity was 0.4 (2002: 0.3).

Capital expenditure during the year was HK$62 million, representing a 12.4 percent (2002: 16.6 percent) of net cash inflow from operating activities. Management foresees a bigger maintenance capital expenditure exceeding HK$100 million in 2004, in view of the improvements in consumer sentiments evident in all markets.

The Group had financing facilities totaling HK$421 million at the end of the year (2002: HK$704 million), of which HK$66 million revolving loan facilities had been drawn and were outstanding. As at December 31, 2003, the Group had contingent liabilities of HK$43 million (2002: HK$47 million) incurred in the normal course of business.

DIVISIONAL OPERATIONS HIGHLIGHTS

Retail and Distribution

Turnover from the Retail and Distribution Division totaled HK$3,221 million (2002: HK$3,375 million), 4.6 percent lower than that of 2002. The SARS afflicted period caused weak performances in China, Hong Kong, Taiwan and Singapore.

During the year, comparable store sales and comparable store gross profit declined by 9.3 percent and 7.7 percent year-on-year, respectively.

Retail turnover of *Giordano* core line was 3.2 percent lower than that of the previous year. During the year, Thailand, Indonesia, and Australia experienced double-digit growth. However, overall performance was dragged down by the dreary sales recorded in key markets of Mainland China, Hong Kong, Taiwan and Singapore. Retail gross margins, nonetheless, improved by 180 basis points. Among all markets, Japan experienced the best gross margin improvement during the year, closely followed by Thailand.

Turnover of *Giordano Ladies* dropped 10.9 percent while gross profit margins fell marginally by 30 basis points when compared to those of 2002. Sales and gross profit margins declines were mainly due to clearance activities in the first quarter, as well as the SARS outbreak in the second quarter. Business rebounded in all markets for *Giordano Ladies* after the first half, to achieve consistent year-on-year growth throughout the second half of the year. Five new Mainland China outlets are planned to be opened in 2004. No major store openings are planned for Hong Kong and Taiwan where focus will be on improving the comparable store sales and profit growth this year.

Bluestar Exchange's turnover slipped 5.4 percent year-on-year while gross profit margins remained almost at last year's level. If the effect of the closure of German stores was excluded, *Bluestar Exchange*'s turnover would have reported a 3.2 percent increase.

Manufacturing

The Manufacturing Division's turnover, including inter-segment sales, amounted to HK$685 million (2002: HK$759 million), a 9.7 percent decrease over the previous year. Gross profit margins retreated slightly by 90 basis points. Business in many markets contracted noticeably during the SARS outbreak. Industry surplus capacity has led to severe price competition, resulting in lower margins. During the period, Manufacturing Division's operating profit fell to HK$42 million (2002: HK$54 million).

Sales to third-party Japanese customers dwindled dramatically since the second quarter, in tandem with the SARS outbreak. Although obtaining new customers in the second half; new orders did not fully make up for the lost sales in the first half.

In 2003, the Manufacturing Division provided about 28 percent of the Retail and Distribution's sourcing requirement, in line with the long term direction of reducing inter-segment transactions between the two divisions.

Since the start of the year, Management has been developing new client base from Europe. To better serve these customers, it has formed a new creative and design department, manned by newly recruited experienced professionals.

GEOGRAPHIC OPERATIONS HIGHLIGHTS

Sales in most key markets suffered badly from the non-seasonally warm winter in the first quarter and poor customer traffic brought about by the SARS epidemic in the second quarter. However, sales in these markets gradually caught up in the second half.

Mainland China

Turnover retreated 4.8 percent to HK$815 million (2002: HK$856 million). Sales per square foot fell to HK$3,000, from HK$4,000 in 2002. The adverse effects of SARS and its aftermath were substantial. Belated cold weather dampened sales in September and October. Sales rebounded drastically in November and December on the back of cold temperatures and timely product launches. In the year, we chose not to join the industry-wide clearance sales and steadfastly defended our gross margins. In 2003, our gross margins expanded 310 basis points from the previous year.

Rental in prime locations remain at unreasonably high levels. Management has been prudent when committing new locations and renewing old leases. During the year, there was a net increase of 49 outlets, of which 39 were core line, three were *Junior* and nine were *Bluestar Exchange*.

Hong Kong

Turnover fell to HK$697 million (2002: HK$776 million), representing a 10.2 percent year-on-year decline. *Bluestar Exchange* outstood the other lines and achieved a year-on-year sales growth. All lines experienced gross margin enhancement, except *Bluestar Exchange*. To solidify *Bluestar Exchange*'s value-for-money positioning, further price reductions were introduced during 2003. The managed decrease in gross margins has helped *Bluestar Exchange* capture a larger market share in Hong Kong despite the SARS epidemic.

Among all the SARS-afflicted markets, Hong Kong was the worst hit due to its heavy reliance on tourism. Management responded by tightening inventory; cutting or containing operating costs wherever possible; and emphasizing on high-margin products.

Profitability recovered in the second half of the year, mainly led by successful product launches and better overall margins.

Taiwan

Turnover totaled HK$604 million (2002: HK$677 million), down 10.8 percent from a year ago. All lines ended the year with lower gross margins than those of the previous year. In a bid to enhance the shop portfolio, some non-performing core line stores were closed during the year. Better located stores were added back to our shop portfolio in the last two months of the year and therefore did not meaningfully contribute to the full year figures. Productivity of the remaining comparable shops improved significantly in the last quarter.

Although sales and gross margins declined in the first half of the year, overall performance of the core line gained momentum in the second half on the back of improved inventory management, better coordinated product launches, as well as leveraging on the global product development platform initiated at the outset of 2003. Management is confident that the current recovery is sustainable.

Giordano Ladies saw lower sales and gross margins in 2003, mainly attributable to steep discounts offered in the first half of the year. Sales rebounded satisfactorily after SARS. With the strengthening of its local management team and termination of the non-performing counters, *Giordano Ladies* is set to deliver better results in 2004.

Similar to Hong Kong, *Bluestar Exchange* in Taiwan has begun capturing a larger market share during the last quarter of 2003.

Singapore

Turnover fell 6.5 percent to HK$348 million (2002: HK$372 million). Due to the negative consumer sentiment brought about by the Iraq War and SARS in the first half of the year and heavy industry-wide price promotions post-SARS, we experienced one of the toughest years in 2003. During the year, the first three quarters reported year-on-year sales decline while the fourth quarter saw sales lifted by more aggressive promotions. Comparable store sales further deteriorated by -14 percent (2002: -7 percent). Management, nonetheless, feels comfortable that the recent modifications to our competitive strategy in Singapore should yield stronger performance in 2004.

Other Markets

During the year, the Group's other markets realized considerable year-on-year sales and gross margins improvement. In aggregate, these markets are becoming increasingly noteworthy contributors to the Group's turnover and profit. In 2003, these markets accounted for 13.8 percent of the Group's total retail and distribution turnover, compared to 9.5 percent in 2002.

(In HK$ millions)	Australia	Malaysia	Indonesia	Thailand	Japan	Total
2003	**149**	**114**	**90**	**64**	**28**	**445**
2002	98	114	46	38	25	321
Year-on-year increase	52.0%	–	95.7%	68.4%	12.0%	38.6%

Australia

After breaking even in the second half of 2002, Australia continued to deliver strong results. In 2003, sales advanced 52.0 percent to HK$149 million (2002: HK$98 million). If foreign exchange gains were excluded, sales would still have grown by 26.5 percent over the previous year. Comparable store sales were up 18.9 percent while gross margins improved by 360 basis points. Three new stores were added in November and one more was opened in December, to bring the total store count to 34 by the end of the year. About five new stores are earmarked for 2004.

In 2004, growth momentum will continue based on a maturing operations team, the installation of Group's information system, and knowledge gained of the local customers' preferences.

Japan

Sales grew 12.0 percent year-on-year, or 6.8 percent when positive foreign exchange impact was excluded. Shop portfolio was revamped during the year to reflect *Giordano*'s strength and the unique operating environment of Japan. Efficiency was achieved through gradual reduction of store size.

During the year, there was a net opening of six outlets, taking store count to 13 as at December 31, 2003. Sales per square foot rose by 12.5 percent while gross profit per square foot surged even more dramatically. Management plans to open another 10 outlets in 2004.

Joint Ventures

Korea

Hurt by heated competition and weak consumer spending resulting from the clamp down on credit spending since the end of 2002, turnover fell another 24.6 percent over the year before. Frequent mark-downs have also caused gross margins to fall by a couple of percentage points. Occupancy costs at department stores increased due to higher commission rates charged by the department store owners. Higher occupancy costs, coupled with falling sales productivity, were responsible for profits dropping by a double-digit year-on-year.

Middle East

Turnover grew by 12.1 percent, compared to the year before, on new store openings. During the year, 18 new outlets were opened. War in Iraq and frequent terrorism alerts have hurt retail sentiment in the region. The longer term prospect of the region, in our assessment, remains upbeat. Our shop portfolio and brand position will give us a strong foundation for the anticipated recovery there.

HUMAN RESOURCES

On December 31, 2003, the Group had approximately 7,900 employees (2002: 8,000). The Group offers share options to majority of the senior managers as means to reward and retain a high caliber management team. Competitive remuneration packages and goal-oriented bonuses are also paid to different levels of staff.

OUTLOOK

Management is optimistic of the medium term global economic outlook and believes 2004 will be a year of rejuvenation and growth for the Group. On the back of anticipated reviving consumer sentiments, Management will aim for higher sales and profit growth in 2004. Management had formulated customized strategies for its markets.

1. In the medium term, Mainland China continues to be the Group's major earnings driver. Management believes the government has the ability to manage sustainable and high level of economic growth for 2004 and beyond. Besides the flagship store in

Shanghai, major refurbishment program will be implemented throughout the country.

2. In Hong Kong, the economy has started to revive since the fourth quarter of 2003, mainly driven by the more robust property and stock markets. Optimism has also returned upon the signing of the Closer Economic Partnership Arrangement between the HKSAR and the Chinese central government. On the one hand, we welcome the improved sentiment in the territory but on the other hand, we share the concern that speculative forces may inflate operating costs thus hurting the fragile economic recovery. Our strategy in Hong Kong will focus on rigorously enhancing *Giordano*'s brand image.

3. After implementing the year long marketing strategies in Taiwan, the falling sales trend has now been rescued. Management is also pleased with the effectiveness of certain internal changes made during the year. However, the result of the presidential election in the first quarter may have an important influence on how the economy may be headed for the balance of the year. Even taking this uncertainty into consideration, Management plans to add 30 new core line stores and 12 new *Bluestar Exchange* outlets this year.

4. In Singapore, consumption is expected to be dampened by the wide-spread wage cuts and the recent Goods and Services Tax hike. In view of the challenging environment, Management will focus on service and brand differentiation, and market segmentation.

5. Outlooks for the Korean economy in 2004 are mixed. However, we do believe that the worst for the economy is over. After adopting the Global Information Technology platform in late 2003, Management will be able to better manage their sales and inventory and to work closely with other markets. Markdowns will be greatly curtailed by better production cycle management made available in the information system. In 2004, Management plans to open about 20 core line stores.

6. Development in Japan is on the right track. The new operating model appears to be working well and operating losses are within budget. Management will focus development in the Kansai area in the near term. With the recovering economy, better sales

strategy, and an aggressive management team, the operation is projected to breakeven during the second half of the year.

DIVIDENDS

The board of directors has resolved to recommend to shareholders the payment of a final dividend of 4.5 HK cents (2002: 4.5 HK cents) per share and a special dividend of 12.0 HK cents (2002: 10.0 HK cents) per share which, together with the interim dividend of 1.5 HK cents (2002: 4.5 HK cents) per share and the interim special dividend of 3.0 HK cents per share (2002: Nil) paid on September 10, 2003, make a total dividend of 21.0 HK cents (2002: 19.0 HK cents) per share for the year ended December 31, 2003. Subject to the approval of the shareholders at the forthcoming Annual General Meeting, the final and special dividends will be sent by post on or about May 13, 2004 to shareholders whose names appear on the register of members of the Company as at the close of business on April 29, 2004.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company will be held on April 29, 2004. For details of the Annual General Meeting, please refer to the Notice of Annual General Meeting, which is expected to be published on or about March 22, 2004.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from April 26, 2004 to April 29, 2004, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final and special dividends to be approved at the forthcoming Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Abacus Share Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on April 23, 2004.

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.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE'S WEBSITE

The Annual Report of the Company containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the website of the Stock Exchange in due course.

By order of the Board
LAU KWOK KUEN, PETER
Chairman

Hong Kong, March 18, 2004

This announcement can also be accessed through the internet at the Company's website www.giordano.com.hk.

Please also refer to the published version of this announcement in The Standard.