

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

GIORDANO
GIORDANO INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 709)

POSITIVE PROFIT ALERT

This announcement is made by Giordano International Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the three months ended March 31, 2021 (the “**Period**”) and the information currently available to the Board, it is expected that the Company would record a profit attributable to Shareholders for the six months ending June 30, 2021, representing a turnaround from a loss attributable to the Shareholders of approximately HK\$175 million for the six months ended June 30, 2020.

According to the Company’s unaudited operations update for the Period, the unaudited Group sales increased by 2.4%, with Group sales rebounding significantly in March 2021 by approximately 69% year-on-year. The Board considers that the expected turnaround from unaudited loss attributable to Shareholders to unaudited profit attributable to Shareholders is mainly due to:

- (1) recovery of offline sales on the relaxation of social distancing rules in containing the spread of the COVID-19 pandemic, especially in China and Taiwan;
- (2) upward trend in sales performance in South-East Asia and the Gulf Cooperation Council markets, which were adversely affected by travel restrictions and lockdown measures imposed to contain the spread of the COVID-19 pandemic during the second quarter of 2020;
- (3) increased online sales; and
- (4) rental concessions received from landlords under current leases and rental reductions received upon renewal of leases.

Shareholders and potential investors are advised that the Group’s growth and financial performance in the second quarter of 2021 remains uncertain due to, among others, the ongoing COVID-19 pandemic and associated community shutdowns, and consumer sentiment which may affect the Company’s business.

The information contained in this announcement is based on the preliminary assessment by the Board, with reference to the Company's unaudited operations update for the Period, the unaudited management accounts and the information currently available, which have not been confirmed or reviewed by the auditor or audit committee of the Company. Also, the financial performance information in this announcement relates to the Period only, while the financial results of the Group for the six months ending June 30, 2021 will also be subject to its business performance in the second quarter of 2021. Detailed results of the Group for the six months ending June 30, 2021 are expected to be published in August 2021, which may differ from the figures and information provided in this announcement.

The Company will publish further announcements if there is any additional information warranting disclosure in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
LAU Kwok Kuen, Peter
Chairman and Chief Executive

Hong Kong, May 6, 2021

At the date of this announcement, the Board comprises three executive directors; namely, Dr LAU Kwok Kuen, Peter (Chairman and Chief Executive), Dr CHAN Ka Wai and Mr Mark Alan LOYND; two non-executive directors; namely, Dr CHENG Chi Kong and Mr CHAN Sai Cheong; and four independent non-executive directors; namely, Dr Barry John BUTTIFANT, Mr KWONG Ki Chi, Professor WONG Yuk (alias, HUANG Xu) and Dr Alison Elizabeth LLOYD.