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GIORDANO

GIORDANO INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 709)

UPDATE ON THE DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITION OF 15% ISSUED SHARE CAPITAL OF THE TARGET COMPANY AND THE GRANT OF THE BUY-BACK OPTION – LAPSE OF BUY-BACK OPTION

Reference is made to the announcement of Giordano International Limited (the “**Company**”) dated July 17, 2020 (the “**Announcement**”) regarding, among other matters, the conditional acquisition of the Sale Shares, representing 15% of the total issued share capital of the Target Company, at a total consideration of SG\$4 million (equivalent to approximately HK\$22.3 million) and the Purchaser’s granting to the Vendor a one-time exercisable buy-back option to repurchase all (but not part) of the Sale Shares from the Purchaser for an agreed repurchase price of SG\$4.6 million (equivalent to approximately HK\$25.6 million), representing a 15% buy-back premium, and such option will only be exercisable until June 14, 2021 or such other date as the Vendor and the Purchaser may agree in writing (the “**Buy-back Option**”).

Unless otherwise defined herein, all capitalized terms used herein have the same meanings as defined in the Announcement.

LAPSE OF BUY-BACK OPTION

Pursuant to the terms and conditions of the Acquisition Agreement, as the Vendor has not exercised the Buy-back Option on or before June 14, 2021, the Buy-back Option automatically lapsed under the Acquisition Agreement.

IMPLICATIONS

Following the lapse of the Buy-back Option, the Purchaser will continue to be interested in 65.08% of the issued share capital of the Target Company and the Target Company will remain as an indirect non wholly-owned subsidiary of the Company, and its financial results will continue to be consolidated into the financial statements of the Group.

The Board considers that the lapse of the Buy-back Option (i) solidifies the Company's market position within the fashion apparel sector in Indonesia and enable the Group to benefit from the potential upside of this sector in the future; (ii) entitles the Company to greater economic benefits and additional control over the affairs of the Target Company; and (iii) it is fair and reasonable in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, June 15, 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.