

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)

**SUPPLEMENTAL INFORMATION TO ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020
AND
CLARIFICATION ANNOUNCEMENT**

(1) SUPPLEMENTAL INFORMATION TO 2020 ANNUAL REPORT

Reference is made to the annual report of Giordano International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended December 31, 2020 published on April 21, 2021 (the “**2020 Annual Report**”). Unless otherwise defined, capitalized terms used herein have the same meanings as defined in the 2020 Annual Report.

In addition to the information provided in the 2020 Annual Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide further information in respect of the share options granted during the financial year ended December 31, 2020 which is set out in the section headed “Share Option Information”.

As disclosed in the 2020 Annual Report, the Company granted 77,310,000 share options under the 2011 Share Option Scheme on September 9, 2020. The closing price of the Company’s shares on the day immediately before the grant date was HK\$1.34. The fair value of share options granted on September 9, 2020 under the 2011 Share Option Scheme to each class of grantees are as follows:

Class of grantees	Fair value of share option granted (HK\$’000)
Directors	765
Employees	10,518
Others (including owners of authorized dealers and franchisees, and consultant)	1,327

Note: Black-Scholes Model is used for estimating the fair value of share options granted, which is one of the commonly used models to estimate the fair value of an option which can be exercised before the expiry of the option period. The variables and assumptions used in computing the fair value of the share options are based on the Board’s best estimates. The value of an option varies with different variables of certain subjective assumptions.

Grant of Share Options to Non-Employees

During the year ended December 31, 2020, 7,110,000 share options under the 2011 Share Option Scheme were granted to (i) 20 owners of authorized dealers and franchisees, and (ii) one consultant who provided legal and human resources services to the Group, in particular, devising the Group's human resources policies in Mainland China (the "**Consultant**"). Authorized dealers and franchisees operate retail outlets in cities and provinces which would help increase and penetrate the Company's presence in the relevant markets, and allow the Company to develop and implement different strategies for different markets.

Details of the share options granted to non-employees during the year ended December 31, 2020 are set out below:

No. of grantees	Type of grantee	Number of share options
20	Owner of authorized dealers and franchisees	6,510,000
1	Consultant	600,000

Exercisable periods for the share options granted: : **First** tranche consisting of 2,358,000 Share Options shall be exercisable from March 12, 2021 to December 31, 2028, both dates inclusive;

Second tranche consisting of 2,358,000 Share Options shall be exercisable from August 11, 2021 to December 31, 2028, both dates inclusive; and

Final tranche (the remaining balance of 2,394,000 Share Options) shall be exercisable from the day immediately after the announcement of the Company's 2021 annual results to December 31, 2028, both dates inclusive.

The Board considered that the grant of share options to owners of the relevant authorized dealers and franchisees would not only help reward their past contributions to the Group, it would also help align their interests with that of the Group, and incentivize them to be more proactive in their merchandising discipline and marketing efforts. This would in turn increase the Group's market shares and development in the local markets. The Board considered that one-off monetary payment to the Consultant would not provide sufficient incentives for the Consultant to continuously review and update the human resources policies to ensure that they remain both cost-effective and compliant; whereas the granting of share options would align the Consultant's interests with that of the Group and secure his long-term support and commitment to the Group, and overall incentivize him to optimize performance efficiency and quality.

The above information is supplemental to and should be read in conjunction with the 2020 Annual Report.

(2) CLARIFICATION IN RELATION TO SHARE OPTIONS GRANTED ON SEPTEMBER 9, 2020

Reference is made to the announcement dated September 9, 2020 (the “**Announcement**”), the 2020 Annual Report, the circular dated April 29, 2021 (the “**Circular**”) and the interim report of the Company for the six months ended June 30, 2021 published on September 3, 2021 (the “**2021 Interim Report**”), in relation to, among others, the grant of 77,310,000 share options under the 2011 Share Option Scheme on September 9, 2020.

Due to inadvertent errors, the Company would like to clarify the following:

1. The validity period and the exercisable period of the share options granted under the 2011 Share Option Scheme on September 9, 2020 on page 2 of the Chinese version of the Announcement shall be amended as follows (as underlined for easy reference):

購股權之有效期：須待購股權接納書內所載之歸屬條件達成後（如有），授予承授人購股權之行使期如下：

第一批包括 25,584,000 份購股權，可於本公司 2020 年末期業績公佈後翌日起至 2028 年 12 月 31 日期間內行使（首尾兩天包括在內）；

第二批包括 25,584,000 份購股權，可於本公司 2021 年中期業績公佈後翌日起至 2028 年 12 月 31 日期間內行使（首尾兩天包括在內）；及

最後一批（餘下 26,142,000 份購股權），可於本公司 2021 年末期業績公佈後翌日起至 2028 年 12 月 31 日期間內行使（首尾兩天包括在內）。

The relevant disclosure in the English version of the Announcement is correct.

2. Under the section headed “Share Option Information – Movement of Share Options” of the 2020 Annual Report (pages 167 to 169) in relation to the exercisable period of the share options granted on September 9, 2020 should end on December 31, 2028 instead of June 30, 2028.
3. Note 10 to the details of share options granted under the section headed “Termination of the Existing Share Option Scheme and Adoption of the New Share Option Scheme – Termination of the Existing Share Option Scheme” of Circular (page 7) shall be amended as follows (as underlined for easy reference):

“The share options granted to employees, owners of franchisees/authorized dealers and the consultant on September 9, 2020 were divided into three tranches exercisable from March 12, 2021, the day after 2021 interim result announcement and the day after 2021 final result announcement, respectively to December 31, 2028.”

4. Under the section headed “Other Information – Share Option Schemes” of the 2021 Interim Report (page 64) in relation to the 2011 Share Option Scheme shall be amended as follows (as underlined for easy reference):

“On June 9, 2011, the Company adopted a new share option scheme (as amended on May 22, 2021) (the “2011 Share Option Scheme”). No options may be and have been granted under the 2011 Share Option Scheme after June 8, 2021, the expiry date, but the options granted before the expiry date continue to be valid and exercisable in accordance with the terms of issue. Subject to the aforesaid, the provisions of the 2011 Share Option Scheme remained in full force and effect until December 31, 2028, notwithstanding the expiry of the scheme.”

5. Under the section headed “Other Information – 2011 Share Option Scheme” of the 2021 Interim Report (pages 65 to 68) in relation to the exercisable period of the share options granted on September 9, 2020 should end on December 31, 2028 instead of June 30, 2028.

Save as disclosed above, all other information contained in the above-mentioned publications remain unchanged.

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

Hong Kong, September 21, 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.