GIORDANO

GIORDANO INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 709)

PROFIT WARNING

Giordano International Limited (the **"Company"** and, together with its subsidiaries, the **"Group"**) makes this announcement pursuant to rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 (the **"Board"**) of the Company would like to inform the shareholders of the Company (the **"Shareholders"**) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended December 31, 2020, the Group expects to record an annual net loss attributable to shareholders in the range of HK$110 million to HK$130 million, as compared to a profit of HK$230 million for the corresponding period in 2019.

As stated in the Company's interim results announcement published on August 11, 2020, a net loss of HK$175 million was recorded for the six months ended June 30, 2020. However, the Group expects to record a net profit of between HK$45 million to HK$65 million in the second half of the year due to the positive trend in retail sales and improvement in consumer sentiment. The forecasted net profit has not taken into account further potential asset impairment charges, if any. That said, the profitability is unable to turnaround the loss recorded for the full year.

The Group will continue to grasp all available retail sales, online sales and franchise opportunities to maximize its performance. The recent surge in the number of COVID-19 cases reported in a number of the Company's markets, particularly in Hong Kong, Malaysia and South Korea reflects that the situation will remain volatile in the near future. However, other markets, such as Mainland China and Taiwan, are showing signs of adjustment to the pandemic and gradual recovery. The Group's liquidity position remains robust with cash and bank balances, net of bank loans, being approximately HK$1,100 million as at December 31, 2020 (2019: HK$994 million). Also as at December 31, 2020, the Group's merchandise inventory amounted to approximately HK$435 million, lower than that of 2019 by approximately HK$113 million.

The Company is still in the course of completing its consolidated financial results for the year ended December 31, 2020. The information contained in this announcement is only based on a preliminary assessment by the Board of the information currently available to it, including the unaudited consolidated management accounts of the Group for the year ended December 31, 2020, which have not been confirmed, reviewed or finalized by the Audit Committee of the Board and have not been audited by the Company's auditor as at the date of this announcement. The final results announcement of the Company is expected to be published in March 2021.

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, January 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.