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

VOLUNTARY ANNOUNCEMENT

This announcement is made by Giordano International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis with respect to the outbreak of the novel coronavirus epidemic (“**COVID-2019**”).

The Group has implemented a series of preventative and control measures, especially in the PRC, Hong Kong and Macau, concerning COVID-2019, such as keeping close track of employees’ health situations, introducing enhanced flexible working hours and arrangements for all shop staff, warehouse staff and office staff, as well as regular disinfection and hygiene control in Giordano’s premises, to ensure the health and safety of our customers and employees and to facilitate the operation of the Group’s business during this challenging period.

With the COVID-2019 epidemic now having spread globally to most populated continents, the board of directors (the “**Board**”) of the Company takes the view that the epidemic will continue to impact the markets within which it operates, both in terms of physical operation and market sentiment.

To control costs, the Group has engaged in negotiations with landlords, aggressively pursuing rental waivers and reductions for Giordano stores in various markets during this challenging period. It will also strengthen cost control measures across the Group’s business, such as seeking more favourable terms from its suppliers. That said, the Group’s cash reserve remains stable. As at June 30, 2019, the Group had \$1,026 million in cash and bank balances, net of bank loans. Such position has not materially changed as at the date of this announcement.

In light of COVID-2019’s disruption to physical shopping practices and restriction to human movement globally, the Group will redistribute its resources to rapidly enhance its e-commerce capabilities to capture the opportunities stemming from the growing reliance on online shopping.

As a show of togetherness and solidarity with the Group’s stakeholders, the Board announces that Dr. LAU Kwok Kuen, Peter, Chairman and Chief Executive, implemented a 50% voluntary reduction in his salary, while the other Executive Directors and senior management team members in Hong Kong have each implemented a 30% voluntary reduction in their salaries, and approximately 15 other management team members from Hong Kong, Macau, Mainland China, as well as other, less affected areas, have each implemented 20% and 10% voluntary reductions in their salaries, all for a period of three months, with effect from March 1, 2020.

The Board will continue to monitor the development of the COVID-2019 epidemic and assess its impact on the operations and financial performance of the Group. The Company will remain vigilant and take swift and appropriate action as necessary, as well as make further announcements as and when appropriate.

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

Hong Kong, March 9, 2020

As 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.