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# GIORDANO

## GIORDANO INTERNATIONAL LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 709)**

### PROFIT WARNING SUPPLEMENTAL ANNOUNCEMENT

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 (Cap. 571 of the Laws of Hong Kong).

Reference is made to the business update and profit warning announcement of the Company dated April 20, 2020.

The board of directors (the “**Board**”) of the Company would like to further inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, as compared to the profit attributable to shareholders of HK\$161 million for the corresponding period in 2019, the Group expects to record a net loss attributable to shareholders for the six months ended June 30, 2020 of between HK\$170 million to HK\$180 million. The expected loss for the current period includes an exceptional impairment provision of right-of-use assets and property, plant and equipment of approximately HK\$70 million (2019: Nil). The expected loss reflects the severe adverse impact of the unprecedented COVID-19 pandemic and ancillary quarantine, lockdowns and social distancing and protective measures put in place globally.

The provision for impairment of right-of-use assets and property, plant, and equipment assets that applies to the retail store assets arises due to losses suffered by the Group’s physical retail stores, especially in Hong Kong. Such provision for impairment is a non-cash item and has no impact on the Group’s cash flow, operations, or liquidity position. The Group’s liquidity position at June 30, 2020 remains very healthy with cash and bank balances, net of bank loans, being approximately HK\$990 million on June 30, 2020 (2019: HK\$1,026 million). The Group’s overall financial situation and working capital therefore remains robust.

The Company is in the process of finalizing the interim results for the six months ended June 30, 2020. The information contained in this announcement is a preliminary assessment based on the information currently available to it, including the unaudited consolidated management accounts of the Company for the six months ended June 30, 2020, which have not been confirmed or reviewed by the Company’s auditor or the audit committee of the Board. The interim results announcement of the Company will be released in August 2020.

**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, July 24, 2020

*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.*