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GIORDANO

GIORDANO INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 709)

PROFIT WARNING

This announcement is made by Giordano International Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders that following a detailed review of the results of the Company for the first three months of 2014 and the current outlook for the first half of 2014, that the Company is expected to record a significantly lower Profit Attributable to Shareholders (“**PATS**”) for the six months ended 30 June 2014 than the PATS for the six months ended 30 June 2013. This update is based on a preliminary assessment of the year to date results and outlook for the Company based on information and estimates currently available. This information has not been reviewed or audited by the Company’s auditor and are subject to adjustments arising from future events and further review.

The reasons for this decline in profitability are set out below:

- Consumer demand in Greater China markets continues to weaken, including in Hong Kong and Taiwan.
- Household spending in South East Asian countries is weakening in the face of economic headwinds and significant currency depreciation in these economies.
- Currency impacts following recent depreciation of the RMB and the depreciation of South East Asian currencies last year are impacting profitability.

- Discounting of merchandise in the face of these economic conditions have been carried out in order to exercise strong control over inventory and to preserve operating cash-flow. This has depressed gross margins in the first quarter of the year.

The Company will issue the First Quarter Operations Update on Thursday, 8 May 2014, following further review and will further explain the profitability and cash-flow for the first three months of 2014, together with analysis and outlook for profitability and cash flow for the first half of 2014.

Shareholders of the Company 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

Hong Kong, 5 May 2014

As at the date of this announcement, the Directors of the Company are:
Executive Directors: Dr. LAU Kwok Kuen, Peter and Mr. Ishwar Bhagwandas CHUGANI;
Non-executive Directors: Mr. CHENG Chi Kong, Adrian and Mr. CHAN Sai Cheong; and
Independent Non-executive Directors: Dr. Barry John BUTTIFANT, Mr. KWONG Ki Chi, Professor LEUNG Kwok and Mr. Simon Devilliers RUDOLPH.