

News reports on Taiwan tax dispute

Hong Kong – February 23rd, 2010

Reference is made to a number of articles that appeared in various newspapers in Hong Kong today about a dispute between a subsidiary of Giordano International Limited (“Giordano” or “the Group”) and the Taiwan tax authority.

While the articles were accurate to the extent that Giordano had a dispute with the tax authority in Taiwan with respect to the tax treatment on certain of the Group’s sales there and was assessed a fine and additional taxes totaling NTD157 million (approximately HK\$33 million), the Group wishes to note that this is not a new issue. In fact, the dispute was previously disclosed in our 2003, 2004 and 2005 annual reports and appropriate provisions had been made.

The Group would like to further note that the fine and additional taxes had already been paid in full to the tax authority in Taiwan in January 2008. As such, the case does not have any effect on our current operations or our 2009 results.

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About Giordano:

Giordano is a leading international retailer of men’s, women’s and children’s apparel under the brand names *Giordano*, *Giordano Concepts*, *Giordano Ladies*, *Giordano Junior* and *BSX*. Established in 1981, Giordano now operates over 2,000 stores and counters in Greater China, Korea, Southeast Asia, Australia, India and the Middle East. Giordano is listed on the Hong Kong Stock Exchange under the stock code 709.

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