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

**UNAUDITED OPERATIONS UPDATE FOR  
THE THREE MONTHS ENDED MARCH 31, 2019**

The board of directors (the “Board”) of Giordano International Limited (the “Company”) presents the unaudited operations update of the Company and its subsidiaries (the “Group”) for the three months ended March 31, 2019. This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**Shareholders and potential shareholders of the Company are advised to exercise caution when dealing in the shares of the Company.**

**SUMMARY OF OPERATIONS UPDATE**

**Table 1: Overview of Group sales**

<i>(In HK\$ million)</i>	<b>Three months ended Mar 31</b>	
	<b>2019</b>	2018
The rest of Asia Pacific	398	422
Mainland China	295	378
Hong Kong and Macau	225	248
Taiwan	161	201
The Middle East	140	134
Wholesale sales to overseas franchisees	80	74
<b>Group sales<sup>1</sup></b>	<b>1,299</b>	1,457
Global brand sales <sup>2</sup>	<b>1,605</b>	1,772
Group comparable store sales (“CSS”) growth <sup>3</sup>	<b>(10.7%)</b>	9.5%
Inventories at period end	<b>512</b>	507

**Table 2: Group sales by channel**

<i>(In HK\$ million)</i>	<b>Three months ended Mar 31</b>	
	<b>2019</b>	2018
Physical stores	<b>1,055</b>	1,184
E-business	72	81
Retail sales	<b>1,127</b>	1,265
Wholesale sales to franchisees	<b>172</b>	192
<b>Group sales</b>	<b>1,299</b>	1,457

Group sales for the first quarter decreased by 10.8%, or 8.5% if translated at constant exchange rates. The uncertainty stemming from the Sino-US trade dispute and abnormally warm weather continued to affect the sales performance of Greater China, having recorded a decline of 17.7%. Group CSS was down by 10.7%. Indonesia, Thailand and Vietnam continued to be stable.

**Table 3: Store portfolio**

	Store numbers at Mar 31	
	2019	2018
<b>Retail and Distribution</b>		
Mainland China		
Franchised stores	623	604
Directly operated stores (“DOS”)	290	321
The rest of Asia Pacific	600	598
Taiwan	200	199
The Middle East		
Franchised stores	40	40
DOS	143	146
Hong Kong and Macau	75	77
<b>Overseas franchisees</b>	<b>420</b>	<b>429</b>
<b>Total</b>	<b>2,391</b>	<b>2,414</b>

**Table 4: System inventories**

<i>(In HK\$ million)</i>	At		
	Mar 31 2019	Dec 31 2018	Mar 31 2018
Inventories held by the Group	512	552	507
Inventories held by 48.5% South Korea joint venture	200	200	169
Inventories held by franchisees in Mainland China	83	94	81
Finished goods at suppliers (not yet shipped)	24	27	50
<b>Total system inventories</b>	<b>819</b>	<b>873</b>	<b>807</b>

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

Hong Kong, April 18, 2019

*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.*

<sup>1</sup> *Group sales refer to consolidated sales and include retail sales from DOS and wholesale sales to all overseas/non-consolidated franchisees.*

<sup>2</sup> *Global brand sales are at 2019 exchange rates, and are greater than Group sales to include the total of Giordano retail sales, in DOS, franchised stores and stores operated by a joint venture.*

<sup>3</sup> *Group CSS are total Giordano brand sales of consolidated subsidiaries, at constant exchange rates, from existing DOS and franchised stores that have been fully operating in the same prior period.*