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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, 2020**

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, 2020. 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>2020</b>	2019
The rest of Asia Pacific	<b>291</b>	398
Mainland China	<b>151</b>	295
Taiwan	<b>133</b>	161
The Middle East	<b>115</b>	140
Hong Kong and Macau	<b>110</b>	225
Wholesale sales to overseas franchisees	<b>49</b>	80
<b>Group sales<sup>1</sup></b>	<b>849</b>	1,299
Global brand sales <sup>2</sup>	<b>1,057</b>	1,552
Group comparable store sales (“CSS”) growth <sup>3</sup>	<b>(30.2%)</b>	(10.7%)
Inventories at period end	<b>504</b>	512
Net cash and bank balances at period end	<b>1,037</b>	1,144

**Table 2: Group sales by channel**

<i>(In HK\$ million)</i>	<b>Three months ended Mar 31</b>	
	<b>2020</b>	2019
Physical stores	<b>691</b>	1,055
E-business	<b>59</b>	72
Retail sales	<b>750</b>	1,127
Wholesale sales to franchisees	<b>99</b>	172
<b>Group sales</b>	<b>849</b>	1,299

Group sales for the first quarter decreased by 34.6%, or 33.0%, if translated at constant exchange rates. Since the outbreak of the COVID-19 pandemic, many countries have implemented public health measures and ‘lockdowns’, often resulting in the halting of social and commercial activities. Moreover, the outcome of the Sino-US trade conflict remains unclear. All of these factors have adversely and significantly affected consumer sentiment and also foot traffic at our shops in various markets. Group CSS was down by 30.2%.

As at March 31, 2020, the Group had approximately HK\$1,037 million in cash and bank balances, net of bank loans. The position has not materially changed as at the date of this announcement.

**Table 3: Store portfolio**

	Store numbers at Mar 31	
	2020	2019
<b>Retail and Distribution</b>		
Mainland China		
Franchised stores	572	623
Directly-operated stores	248	290
The rest of Asia Pacific	591	600
Taiwan	192	200
The Middle East		
Franchised stores	35	40
Directly-operated stores	147	143
Hong Kong and Macau	68	75
<b>Overseas franchisees</b>	<b>410</b>	420
<b>Total</b>	<b>2,263</b>	2,391

**Table 4: System inventories**

(In HK\$ million)	At		
	Mar 31 2020	Dec 31 2019	Mar 31 2019
Inventories held by the Group	504	548	512
Inventories held by 48.5% South Korea joint venture	198	196	200
Inventories held by franchisees in Mainland China	54	73	83
Finished goods at suppliers (not yet shipped)	22	12	24
<b>Total system inventories</b>	<b>778</b>	829	819

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

Hong Kong, April 17, 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.*

- 1 *Group sales refer to consolidated sales and include retail sales from directly-operated stores and wholesale sales to all overseas/non-consolidated franchisees.*
- 2 *Global brand sales are at 2020 exchange rates, and are greater than Group sales to include the total of Giordano retail sales, in directly-operated stores, franchised stores and stores operated by a joint venture.*
- 3 *Group CSS are total Giordano brand sales of consolidated subsidiaries, at constant exchange rates, from existing directly-operated stores and franchised stores that have been fully operating in the same prior period.*