

Giordano Releases Unaudited Operations Update For The Quarter Ended September 30, 2018

October 19, 2018, Hong Kong

Giordano International Limited and its subsidiaries (“Giordano” or the “Group”) today announced its unaudited operations update for the quarter ended September 30, 2018:

- Group sales for the third quarter decreased by 5.2% to HK\$1,176 million (2017: HK\$1,240 million). Group comparable store sales (“CSS”) for the quarter were also down by 2.8%. For the nine months ended September 30, 2018, Group sales and CSS registered increases of 4.6% and 2.9%, respectively.
- As at September 30, 2018, the Group operated through a network of 2,407 stores. Net increase in stores compared with September 30, 2017 was 37.
- Group inventory at September 30, 2018 was HK\$525million (2017: HK\$527million). Total system inventories decreased by 8.3% as compared to same period last year.

Dr. Peter Lau, Chairman and Chief Executive of Giordano, comments, “Despite the challenging market conditions, our global store network increased by 37 over the past twelve months. Our system inventories decreased by 8.3%, reflecting improved merchandise control. We are steadfast in executing our expansion strategies with prudent cost controls and supply chain management.”

Dr. Lau adds, “Giordano operates in a large number of geographical markets and has always managed a healthy balance sheet. We believe that Giordano would be able to weather regional economic setback which might materialize due to the continued trade dispute between China and the USA. Giordano is also actively exploring new markets for further risk diversification.”

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About Giordano:

Giordano is an international apparel retailer with a portfolio of brands, including *Giordano and Giordano Junior, Giordano Ladies, BSX* as well as other owned and licensed brands. Established in 1981, Giordano now operates through a network of over 2,400 stores, majority of which are in Greater China, South Korea, Southeast Asia and the Middle East. Giordano is listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 709).

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