

Giordano Releases Unaudited Operations Update For The Three Months Ended March 31, 2019

April 18, 2019, Hong Kong

Giordano International Limited and its subsidiaries (“Giordano” or the “Group”) today announced its unaudited operations update for the three months ended March 31, 2019:

- Group sales for the first quarter decreased by 10.8% to HK\$1,299 million (2018: HK\$1,457 million). Group comparable store sales (“CSS”) for the quarter were also down by 10.7%.
- As at March 31, 2019, the Group operated through a network of 2,391 stores. Net decrease in stores compared with March 31, 2018 was 23 mainly as a result of the decrease in directly operated stores in Mainland China and the franchised stores operated by South Korea joint venture.
- Group inventory at March 31, 2019 was HK\$512 million (2018: HK\$507 million). Total system inventories increased by 1.5% as compared to same period last year.

Dr. Peter Lau, Chairman and Chief Executive of Giordano, stated, “In the Middle East, consumers appear to have adapted to the newly introduced Value-Added Tax and changes in economic policy. Coupled with the dedication of our local management team, we recorded a positive sales growth with CSS up by 6.8%.”

Dr. Lau added, “Despite the uncertainty stemming from the Sino-US trade dispute, the Chinese authorities have recently unveiled detailed measures to implement Value-Added Tax reform, a key step towards strengthen the basis for sustained growth while also boosting market vitality. We remain confident about the growth environment in Mainland China and will seize opportunities for ongoing development.”

Dr. Lau continued, “Our system inventories increased slightly by 1.5%, mainly attributable to the increase in inventories held by our South Korea joint venture. Our inventories held by the Group and at suppliers decreased by 3.8%, reflecting improved merchandise control. We are steadfast in prudent cost control, improve flexibility supply chain management and focus on marketing for brand equity.”

Dr. Lau concluded, “Giordano operates in a large number of geographical markets and has always managed a healthy balance sheet. We are confident that Giordano can weather the regional economic challenges and continue exploring new markets for further risk diversification.”

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GIORDANO

GIORDANO INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

5th Floor, Tin On Industrial Building,
777-779 Cheung Sha Wan Road,
Kowloon, Hong Kong
Tel: (852) 2746 4668
Fax: (852) 2370 8864
<http://corp.giordano.com.hk>

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 around 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).

For further information, please contact:

Loratta Lau

Telephone: +852 2746 4668

E-mail: investorrelations@giordano.com