

## Giordano Releases Unaudited Operations Update For The Three Months Ended March 31, 2020

April 17, 2020, Hong Kong

Giordano International Limited (the “Company”) and its subsidiaries (collectively “Giordano” or the “Group”) today announced its unaudited operations update for the three months ended March 31, 2020:

- Group sales for the first quarter decreased by 34.6% to HK\$849 million (2019: HK\$1,299 million). Group comparable store sales for the quarter were also down by 30.2%.
- As of March 31, 2020, the Group operated through a network of 2,263 stores. The net decrease in stores was 128 as compared with March 31, 2019, mainly located in Mainland China.
- Group inventory at March 31, 2020, was HK\$504 million (2019: HK\$512 million). Total system inventories decreased by 5.0% as compared to the same period last year.
- At the period end, the cash and bank balances, net of bank loans, are approximately HK\$1,037 million (2019: HK\$1,144 million).

Dr Peter Lau, Chairman and Chief Executive of Giordano, stated, “In the face of the global uncertainty and the continuing spread of the COVID-19 pandemic around the world, 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 significantly affected consumer sentiment and also foot traffic at our shops in various markets.”

Dr Lau added, “The Group is implementing all feasible measures to safeguard its employees and customers against the Pandemic. At the same time, the Group is negotiating with landlords across all our markets to seek further rental relief and reductions. We are streamlining our business operations to minimize all costs and expenses. We will utilize local governmental assistance measures where available. All measures are helping mitigate the adverse impact on the Group’s financial performance.”

Dr Lau concluded, “Giordano maintains a vigorous working capital management discipline. We will continue to focus on tightening control of inventory, account receivables and cash outflows. At this moment, our financial position remains sound. The Board believes that we are well-positioned to weather the current unfavourable environment.”

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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 2,300 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](mailto:investorrelations@giordano.com)