

Giordano Releases Unaudited Operations Update For The Three Months Ended March 31, 2022

April 22, 2022, Hong Kong

Giordano International Limited and its subsidiaries (the “Group”) today announced its unaudited operations update for the three months ended March 31, 2022:

First quarter Group sales registered an increase of 5.5% year-on-year (“YOY”), due primarily to the business rebound in the Southeast Asian (the “SEA”) markets and the Gulf Cooperation Council (the “GCC”). However, the outbreak of the Omicron variant severely hurt sales in Greater China, particularly in Hong Kong, where we will continue to close non-performing stores unless there are significant rental reductions upon the renewal of leases.

Online platforms continued to outperform physical stores. Online sales contribution increased to 11.3% (2021: 9.1%) of total sales in the first quarter.

Group inventory on March 31, 2022, was HK\$603 million, up by HK\$115 million YOY. The significant increase was due mainly to the earlier receipt of merchandise in preparation for the Ramadan shopping season in Q2. The Group expects that the inventory balance will deplete gradually with the prudent control of purchase orders.

As of March 31, 2022, the Group had approximately HK\$933 million (2021: HK\$1,142 million) in cash and bank balances, net of bank loans.

Dr Peter Lau commented, *“The partial lifting of social distancing measures and travel restrictions in the SEA markets and the GCC will continue to improve the sales in these two regions, which will be the key drivers for the Group’s performance. On the contrary, the performance in Greater China will remain volatile due to the new wave of the Covid-19 pandemic in Mainland China and Taiwan. The performance of our online business has been encouraging, with online sales in Mainland China surging by 37.9% YOY.”*

Dr Lau further remarked, *“We recorded a notable increase in wholesale to overseas franchisees, driven by the business recovery. Newly-developed franchised markets have sustained their growth as anticipated.”*

– END –

About Giordano:

Giordano is an international apparel retailer with a portfolio of brands, including *Giordano and Giordano Junior, Giordano Ladies, BSX*, and other owned and licensed brands. Established in 1981, Giordano now operates through around 2,000 stores, mainly in Greater China, South Korea, SEA, and the GCC. 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