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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, 2023**

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, 2023. This announcement is made under 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 with the Company’s shares.**

**Sales Analysis**

| <i>(In HK\$ million)</i>                   | The first quarter ended on March 31st |       |             |
|--|---------------------------------------|-------|-------------|
|  | 2023                                  | 2022  | Changes     |
| Greater China                              | 458                                   | 466   | -1.7%       |
| Southeast Asia and Australia               | 362                                   | 318   | 13.8%       |
| Gulf Cooperation Council                   | 152                                   | 133   | 14.3%       |
| <b>Group sales<sup>1</sup></b>             | <b>972</b>                            | 917   | <b>6.0%</b> |
| Offline                                    | 744                                   | 656   | 13.4%       |
| Online                                     | 109                                   | 104   | 4.8%        |
| Retail                                     | 853                                   | 760   | 12.2%       |
| Wholesale to overseas franchisees          | 82                                    | 100   | -18.0%      |
| Wholesale to franchisees in Mainland China | 37                                    | 57    | -35.1%      |
| <b>Group sales</b>                         | <b>972</b>                            | 917   | <b>6.0%</b> |
| Group same-store sales <sup>2</sup>        | 759                                   | 654   | 16.1%       |
| Global brand sales <sup>3</sup>            | 1,180                                 | 1,061 | 11.2%       |
| Store number                               | 1,857                                 | 2,012 | -155        |

<sup>1</sup> “Group sales” means consolidated sales comprising direct-operated stores’ retail sales and wholesale to franchisees.

<sup>2</sup> “Group same-store sales” means “Group sales” deducting sales from newly opened stores, temporarily closed for an extended period or terminated during the comparable periods.

<sup>3</sup> “Global brand sales” comprises all Giordano retail sales from direct-operated stores, franchised stores, and stores operated by a joint venture, and are at constant exchange rates.

All markets have returned to normal at various times after the Covid-19 pandemic. After closing non-performing stores in recent years, the Group's first-quarter same-store sales growth of 16.1% was significantly higher than the 6.0% for the Group's overall sales.

The Group has three major markets with substantial direct-operated stores: Greater China, Southeast Asia and Australia; and the Gulf Cooperation Council. Greater China's sales growth was -1.7% as the market maintained strict social distancing during part of the reporting period, which hurt both retail and wholesale to the franchisees in Mainland China. Southeast Asia and Australian sales recuperated by 13.8% on the return of tourists. A succession of well-executed local marketing campaigns and appropriate merchandise assortment was pivotal to the high sales growth of 14.3% in the Gulf Cooperation Council.

The Group's retail gross margin moved upward across all markets with strategic price adjustments, successful new product launches, and rebranding efforts. The offline/online retail sales ratio increased from 6.3:1 to 6.8:1 due to higher foot traffic at physical locations after the movement control measures were lifted in most regions.

Wholesale to overseas franchisees decreased by 18.0% after large shipments in late 2022 to support their post-Covid-19 sales recoveries. In local currencies, global brand sales, including all retail sales recorded at direct-operated stores, franchised stores, and stores operated by a joint venture, rose 11.2%, as expected, in the reporting quarter. The franchised stores in Mainland China were temporarily over-stocked due to the protracted Covid-19 lockdowns in 2022 and needed time to deplete their merchandise.

On March 31, 2023, the Group had approximately HK\$1,087 million in net cash<sup>4</sup>, up 16.5%.

While Group sales increased by 6.0%, inventories decreased by 5.6% to HK\$569 million.

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

Hong Kong, April 11, 2023

*At the announcement date, 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, Mr TSANG On Yip, Patrick and Mr LEE Chi Hin, Jacob; and three independent non-executive directors; namely, Dr Barry John BUTTIFANT, Professor WONG Yuk (alias, HUANG Xu) and Dr Alison Elizabeth LLOYD.*

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<sup>4</sup> "Net cash" means cash on hand and in banks, less outstanding bank loans.