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GIORDANO
GIORDANO INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 709)

**UNAUDITED OPERATIONS UPDATE FOR
THE QUARTER ENDED SEPTEMBER 30, 2023**

The Board of Directors (the “Board”) of Giordano International Limited (the “Company”) presents the following unaudited operations update of the Company and its subsidiaries (the “Group”) for the quarter ended September 30, 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.

The Company advises its shareholders and potential shareholders to exercise caution when dealing in the shares of the Company.

Revenue Analysis

<i>(In HK\$ million)</i>	2023			2022		
	July	August	September	July	August	September
Greater China	134	123	136	135	124	126
Southeast Asia and Australia	112	114	103	123	121	101
Gulf Cooperation Council	52	50	45	58	46	44
Group revenue¹ by market	298	287	284	316	291	271
Year-on-year (“YOY”) change	(5.7%)	(1.4%)	4.8%			
Offline	240	218	197	252	225	193
Online	31	31	35	29	27	29
Retail	271	249	232	281	252	222
Licensing and overseas franchisees	22	25	38	24	24	28
Mainland China franchisees	5	13	14	11	15	21
Licensing and wholesale to franchisees	27	38	52	35	39	49
Group revenue¹ by channel	298	287	284	316	291	271
Group same-store sales²	231	213	195	239	212	189
YOY change	(3.3%)	0.5%	3.2%			
Global brand sales³	356	318	305	367	328	321
YOY change	(3.0%)	(3.0%)	(5.0%)			

September 30

<i>(In HK\$ million)</i>	Quarter ended			Year-to-date		
	2023	2022	Change	2023	2022	Change
Greater China	393	385	2.1%	1,268	1,239	2.3%
Southeast Asia and Australia	329	345	(4.6%)	1,063	1,040	2.2%
Gulf Cooperation Council	147	148	(0.7%)	508	476	6.7%
Group revenue¹ by market	869	878	(1.0%)	2,839	2,755	3.0%
Offline	655	670	(2.2%)	2,182	2,055	6.2%
Online	97	85	14.1%	321	292	9.9%
Retail	752	755	(0.4%)	2,503	2,347	6.6%
Licensing and overseas franchisees	85	76	11.8%	235	269	(12.6%)
Mainland China franchisees	32	47	(31.9%)	101	139	(27.3%)
Licensing and wholesale to franchisees	117	123	(4.9%)	336	408	(17.6%)
Group revenue¹ by channel	869	878	(1.0%)	2,839	2,755	3.0%
Group same-store sales²	615	612	0.5%	2,068	1,898	9.0%
Global brand sales³	979	1,016	(3.6%)	3,371	3,249	3.8%
Inventories at period-end				501	614	(113)
Stores at period-end				1,793	1,908	(115)

Group revenue in the third quarter reported a mild drop of 1.0% YOY, attributable partly to our store consolidation cycle. The YOY sales comparison in July and August was distorted by the timing difference of the Hajj Muslim Festival, and abnormally adverse weather in Greater China. As expected, the Group's September retail revenue returned to growth. Quarterly and year-to-date same-store sales growth were 0.5% and 9.0%, respectively.

Overseas franchisees have been expanding steadily. The quarterly revenue grew by 11.8%.

Inventory balance significantly dropped by 18.4% YOY to HK\$501 million (2022: 614 million).

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

Hong Kong, October 12, 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.

1 "Group revenue" comprises consolidated revenue from direct-operated stores' retail sales, licensing, and wholesale to franchisees.

2 "Group same-store sales" means "Group revenue" save for revenue derived from the retail sales of newly-opened and terminated stores, and stores temporarily closed for more than 10% of operating days of comparable periods for renovation or other purposes. These are at constant exchange rates.

3 "Global brand sales" comprises all Giordano retail sales from direct-operated stores, franchised stores, and stores operated by a joint venture. These are at constant exchange rates.