GIORDANO

GIORDANO INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 709)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED DECEMBER 31, 2025

OVERVIEW

- 2025 was the first year of Giordano's "Beyond Boundaries" five-year strategic plan. It was the year for the Group to reset its business operations by building competencies and capabilities across the four strategic choices the Group has made to accelerate growth in 2026 and beyond.

- During the full year, the Group reported a modest decrease in revenue of 1.7% and for its core business, a flat growth in revenue YOY amidst a macroeconomic environment marked by geopolitical uncertainties and challenges. The Group's results were primarily attributable to the softened performance of our non-Giordano brands in Indonesia. If we exclude the impact from these non-core brands, our core business revenues remained stable YOY, demonstrating resilience amidst these market challenges. In the second half of the year, we observed improved performance across most Southeast Asian markets, including Singapore, Malaysia and Thailand, all of which showed stronger, high-single-digit YOY growth compared to the first half. The Gulf Cooperation Council ("**GCC**") markets continued their robust trajectory, posting positive sales momentum relative to the first half. Furthermore, despite the challenging retail environment in Hong Kong's apparel sector, our sales outperformed the market average and maintained a positive trajectory into the latter half of the year.

- The Group's e-commerce platforms achieved an impressive double-digit growth of 10%. Mainland China's e-commerce revenue increased by 9.1% YOY, outperforming offline sales. Across the rest of markets, our e-commerce platforms showed even stronger performance, with sales climbing 13.5% — and, excluding the impact of non-Giordano brands in Indonesia, growth would have reached a remarkable 25.3%. In particular, the Hong Kong and Macau online business rebounded robustly in the second half, marking an overall YOY online sales growth of 18.2%. Moreover, Southeast Asia and Australia recorded an impressive 45% YOY growth in e-commerce revenue (excluding Indonesia), underscoring the positive impact of our "Digital-First" strategy as we continue to transform our digital footprint, using data intelligence to personalise offerings and digital storytelling to deepen connections.

- The Group's gross profit margin saw a notable improvement in the second half of the year, increasing by 0.6 percentage points YOY, in stark contrast to the 3.3 percentage point decline experienced in the first half. As a result, the full-year gross margin registered only a slight decrease of 1.2 percentage points. Excluding the impact of non-Giordano brands in Indonesia, the decline would have been limited to just 0.8 percentage points. This improvement was largely driven by our effective management of selling prices and the continued restructuring of our sourcing processes, aimed at reducing product FOB costs. Looking ahead, our pricing strategy will be carefully balanced across different channels to ensure both revenue growth and healthy gross margins, fully aligned with our omnichannel approach.

- Operating expenses increased modestly by 2.3% during the year, partly due to higher advertising and promotional spending on our online business in Mainland China. This step aligns with our "Beyond Boundaries" five-year strategic plan, which focuses on driving digital expansion and brand development. Operating expenses as a percentage of revenue stood at 50.7% (2024: 48.7%). As we continue our transformation into a growth-oriented company, we remain committed to making strategic investments in the brand, as outlined in our five-year plan. At the same time, we uphold a disciplined approach to expense management, ensuring that resources are allocated efficiently to support sustainable growth.

- The net profit attributable to shareholders ("**PATS**") reached HK$217 million, representing a YOY increase of HK$1 million (2024: HK$216 million), in spite of challenges in Indonesia and our joint-venture business in South Korea, where we hold a 48.5% stake. If the profitability of these segments had remained at last year's levels, our PATS would have reached HK$262 million, underscoring the underlying strength of our core operations and our ability to deliver value to shareholders even in the face of harsh external headwinds. The basic earnings per share were 13.4 HK cents per share (2024: 13.4 HK cents per share).

- *Giordano Ladies*, our premium womenswear line, has entered an exciting growth phase with a 5% in Hong Kong. YOY sales have increased since its brand repositioning began in 2025. With a new *Giordano Ladies* flagship store in Hong Kong underway, *Giordano Ladies* has achieved a remarkable 8% growth in the second half alone in Hong Kong and Macau by evolving the product design and imagery. This creates a solid foundation on which the Group will refresh our core brand Giordano in 2026, starting with the Hong Kong market, to redefine the narrative and shape a compelling brand experience.

- The Group's inventory balance at year-end stood at HK$556 million (2024: HK$508 million), with inventory turnover on cost (ITOC) at 119 days (2024: 110 days). The increase in inventory was primarily due to the earlier Ramadan in 2026, which necessitated advance shipments before the year-end. Overall, our inventory levels remain stable, reflecting our effective inventory management practices and proactive supply chain planning.

- As at the year-end, the Group's cash and bank balances, net of bank loans, totalled HK$698 million (2024: HK$810 million). The decrease is largely attributable to the higher inventory levels and the advance shipments noted above. Nevertheless, our financial position remains robust, providing us with a solid foundation to pursue future growth opportunities and invest in strategic initiatives.

- The Board of Directors has recommended a final dividend of 6.4 HK cents per share (2024: 6.0 HK cents per share). Subject to approval, the total dividend distribution will amount to approximately HK$103 million with a payout ratio of 108.5% (2024: 100.0%). This reflects our ongoing commitment to rewarding shareholders while maintaining the flexibility to invest in future growth and innovation.

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Consolidated Income Statement

(In HK$ million, except earnings per share)	*Note*	**2025**	2024
Revenue	*2*	**3,854**	3,919
Cost of sales	*4*	**(1,705)**	(1,685)
Gross profit		**2,149**	2,234
Other income and other gains, net	*3*	**117**	52
Distribution expense	*4*	**(1,734)**	(1,670)
Administrative expense	*4*	**(219)**	(239)
Operating profit	*4*	**313**	377
Finance expense	*5*	**(45)**	(46)
Share of profit of a joint venture		**1**	20
Profit before income taxes		**269**	351
Income taxes	*6*	**(30)**	(99)
Profit after income taxes for the year		**239**	252
Attributable to:			
Shareholders of the Company		**217**	216
Non-controlling interests		**22**	36
		239	252
Earnings per share attributable to shareholders of the Company	*7*		
Basic *(HK cents)*		**13.4**	13.4
Diluted *(HK cents)*		**13.4**	13.3

Consolidated Statement of Comprehensive Income

(In HK$ million)	**2025**	2024
Profit after income taxes for the year	**239**	252
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Fair value change on financial asset at fair value through other comprehensive income	**–**	2
Exchange adjustments on translation of overseas subsidiaries which are attributed to the non-controlling interests	**(7)**	(5)
Items that may be reclassified to profit or loss:		
Exchange adjustments on translation of overseas subsidiaries, a joint venture and branches	**25**	(66)
Total comprehensive income for the year	**257**	183
Attributable to:		
Shareholders of the Company	**242**	152
Non-controlling interests	**15**	31
	257	183

Consolidated Balance Sheet

(In HK$ million)	*Note*	**2025**	2024
ASSETS			
Current assets			
Cash and bank balances		**723**	836
Trade and other receivables	*9*	**369**	342
Inventories		**556**	508
Rental prepayments		**5**	2
Income tax recoverable		**18**	4
Total current assets		**1,671**	1,692
Non-current assets			
Financial asset at fair value through other comprehensive income		**3**	3
Financial asset at fair value through profit or loss		**28**	28
Deposits and other receivables	*9*	**79**	88
Interest in a joint venture		**389**	414
Investment properties		**14**	14
Property, plant and equipment		**159**	160
Right-of-use assets		**723**	805
Goodwill		**541**	541
Deferred tax assets		**18**	21
Total non-current assets		**1,954**	2,074
Total assets		**3,625**	3,766
LIABILITIES AND EQUITY			
Current liabilities			
Bank loans		**25**	26
Trade and other payables	*10*	**523**	611
Lease liabilities		**321**	328
Put option liabilities		**81**	81
Income tax payables		**76**	88
Total current liabilities		**1,026**	1,134
Non-current liabilities			
Lease liabilities		**330**	390
Deferred tax liabilities		**92**	95
Other liabilities		**24**	27
Total non-current liabilities		**446**	512
Total liabilities		**1,472**	1,646
Capital and reserves			
Share capital		**81**	81
Reserves		**1,838**	1,820
Proposed dividends	*8*	**103**	97
Equity attributable to shareholders of the Company		**2,022**	1,998
Non-controlling interests		**131**	122
Total equity		**2,153**	2,120
Total equity and liabilities		**3,625**	3,766
Net current assets		**645**	558
Total assets less current liabilities		**2,599**	2,632

Notes to the Financial Statements

1. Material accounting policies

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivative instruments) measured at fair value.

(b) Impact of new and amended standard

The Group has applied the following amended standards issued by HKICPA, which were effective for the Group's financial year beginning on or after January 1, 2025:

– Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability

The adoption of the above amendments to standards did not result in substantial changes to the Group's accounting policies or financial results or position.

(c) New standards, amended standards and interpretations issued, but not yet effective

The Group has not early adopted the new standards, amendments and interpretations to standards that have been issued but are not yet effective for the year.

HKFRS 18 – Presentation and Disclosure in Financial Statements will replace HKAS 1 – Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. Management is currently assessing the detailed implications of applying the new standard on the Group's financial results or position.

Except for HKFRS 18, the Group is in the process of making an assessment of the impact of new standards, amendments and interpretations to standards and is not yet in a position to state whether they would have a significant impact on the Group's financial results or position.

2. Sales and operating segments

The Group determines its operating segments based on its development strategies and operational control. There are two major operating segments: Retail and Distribution and Wholesales to Overseas Franchisees. Management manages the Retail and Distribution operating segments geographically and by brand.

Geographically, the Retail and Distribution operating segment in Mainland China and the Gulf Cooperation Council (the "GCC") comprise direct-operated and franchised stores. Hong Kong and Macau, Taiwan, Southeast Asia and Australia do not have material local franchised stores. Group stores span most of Southeast Asia and the GCC.

As for brands, the Group presently operates *Giordano* and *Giordano Junior, Giordano Ladies, BSX* as well as other owned and licensed brands.

Adjusted EBITDA is profit before finance expense, income taxes, impairment of right-of-use assets and property, plant and equipment, depreciation and amortization, share of profit of a joint venture and unallocated corporate items. Segment results are before finance expense, share of profit of a joint venture, income taxes and unallocated corporate items. This is the measurement basis reported to management and the senior decision-makers for resources allocation and assessment of segment performance.

Analysis of sales and operating profit (loss) of the Group's operating segment by geographic region is as follows.

	2025						
(In HK$ million)	**Mainland China**	**Hong Kong and Macau**	**Taiwan**	**Southeast Asia and Australia**	**Gulf Cooperation Council**	**Wholesale to Overseas Franchisees**	**Total**
Sales	**661**	**361**	**409**	**1,424**	**729**	**270**	**3,854**
Adjusted EBITDA	**(21)**	**96**	**73**	**377**	**267**	**11**	**803**
Depreciation and amortization							
— Right-of-use assets	**(22)**	**(77)**	**(41)**	**(175)**	**(112)**	**–**	**(427)**
— Property, plant and equipment and investment properties	**(5)**	**(5)**	**(7)**	**(31)**	**(16)**	**–**	**(64)**
Impairment							
— Right-of-use assets	**(1)**	**–**	**–**	**(4)**	**–**	**–**	**(5)**
— Property, plant and equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Segment results	**(49)**	**14**	**25**	**167**	**139**	**11**	**307**
Corporate functions							**6**
Finance expense							**(45)**
Share of profit of a joint venture							**1**
Profit before income taxes							**269**

2. Sales and operating segments (continued)

(In HK$ million)	2024 Mainland China	Hong Kong and Macau	Taiwan	Southeast Asia and Australia	Gulf Cooperation Council	Wholesale to Overseas Franchisees	Total
Sales	661	366	427	1,508	697	260	3,919
Adjusted EBITDA	(6)	122	86	443	264	28	937
Depreciation and amortization							
— Right–of–use assets	(26)	(77)	(41)	(170)	(106)	–	(420)
— Property, plant and equipment and investment properties	(6)	(4)	(6)	(31)	(15)	–	(62)
Impairment							
— Right–of–use assets	(1)	–	–	–	(2)	–	(3)
— Property, plant and equipment	–	–	–	(1)	–	–	(1)
Segment results	(39)	41	39	241	141	28	451
Corporate functions							(74)
Finance expense							(46)
Share of profit of a joint venture							20
Profit before income taxes							351

Further analysis of the Retail and Distribution operating segments by brand is as follows.

(In HK$ million)	**2025** Sales	**2025** Operating profit(loss)	2024 Sales	2024 Operating profit(loss)
Retail and Distribution				
Giordano and Giordano Junior	**3,060**	**285**	3,064	367
Giordano Ladies	**249**	**29**	248	35
BSX	**9**	**(1)**	8	(1)
Others	**266**	**(17)**	339	22
	3,584	**296**	3,659	423

The Company has its domicile in Hong Kong. Sales to external customers recorded in Hong Kong and Macau (including retail and wholesale sales) were HK$631 million (2024: HK$626 million), Mainland China was HK$661 million (2024: HK$661 million), and external customers from other markets were HK$2,562 million (2024: HK$2,632 million).

Inter-segment sales of HK$895 million (2024: HK$876 million) have been eliminated upon consolidation.

2. Sales and operating segments (continued)

Income taxes credit related to Mainland China was HK$1 million (2024: Income taxes charged of HK$2 million). Income taxes charged related to Hong Kong and Macau were HK$4 million (2024: HK$14 million), Taiwan was HK$5 million (2024: HK$7 million), Southeast Asia and Australia were HK$20 million (2024: HK$55 million) and the GCC was HK$9 million (2024: HK$11 million).

Analysis of the Group's assets by geographic regions is as follows.

(In HK$ million)	**2025**	2024
Southeast Asia and Australia	**965**	974
Gulf Cooperation Council	**1,094**	1,094
Hong Kong and Macau	**467**	549
Mainland China	**481**	474
Taiwan	**180**	209
Segment assets	**3,187**	3,300
Interest in a joint venture	**389**	414
Financial asset at fair value through other comprehensive income	**3**	3
Financial asset at fair value through profit or loss	**28**	28
Deferred tax assets	**18**	21
Total assets	**3,625**	3,766

The total of non-current assets other than financial instruments and deferred tax assets located in Hong Kong and Macau were HK$187 million (2024: HK$225 million), Mainland China was HK$101 million (2024: HK$104 million), and other markets were HK$1,617 million (2024: HK$1,696 million).

3. Other income and other gains, net

(In HK$ million)	**2025**	2024
Interest income	**10**	15
Royalty and licensing income	**21**	23
Rental and sub-lease rental income	**9**	9
Dividend income	**3**	3
Government grants	**1**	3
Net gain (loss) on disposal of property, plant and equipment*	**48**	(4)
Net exchange gain (loss)	**9**	(11)
Loss on disposal of a subsidiary	**(1)**	–
Write–back of lease liabilities	**2**	–
Others	**15**	14
	117	52

* The Group has entered into a sale and purchase agreement with an independent third party to sell a property at a total consideration of HK$60 million (before any related expenses) for the year. Accordingly, the net book value of the respective property, plant and equipment, and right-of-use assets aggregating HK$11 million has been reclassified as property held for sale. The transaction has been completed and the Group recorded a gain on disposal of the property of HK$49 million.

4. Operating profit

Operating profit is after charging (crediting):

(In HK$ million)	**2025**	2024
Cost of sales		
Cost of inventories sold	**1,706**	1,683
Net (reversal) provision for obsolete stock and stock written off	**(1)**	2
	1,705	1,685
Distribution expense		
Staff cost	**623**	608
Depreciation expense		
— Right-of-use assets	**410**	404
— Property, plant and equipment	**58**	56
Rentals in respect of land and buildings		
— Minimum lease payments	**31**	25
— Contingent rent	**195**	194
Building management fee, government rent and rates and utilities	**101**	103
Advertising, promotion and incentives	**113**	92
Packaging and deliveries	**68**	63
Bank and credit card charges	**29**	29
Impairment		
— Right-of-use assets	**5**	3
— Property, plant and equipment	**–**	1
Change in loss allowance for trade receivables	**1**	3
Others	**100**	89
	1,734	1,670
Administrative expense		
Staff cost	**143**	157
Depreciation expense		
— Right-of-use assets	**17**	16
— Property, plant and equipment and investment properties	**6**	6
Legal and professional fee	**20**	24
Auditor's remuneration	**7**	7
Computer and telecommunication	**6**	6
Travelling	**4**	4
Business and other taxes	**1**	1
Change in loss allowance for other receivables	**2**	–
Others	**13**	18
	219	239

5. Finance expense

(In HK$ million)	**2025**	2024
Interest on lease liabilities	**44**	45
Interest on bank loans	**1**	1
	45	46

6. Income taxes

Hong Kong profits tax is calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year. Income taxes on profits assessable outside Hong Kong are calculated at the rates applicable in the respective jurisdictions.

(In HK$ million)	**2025**	2024
Current income taxes		
Hong Kong	**5**	4
Outside Hong Kong	**43**	61
Over provision in prior years	**(28)**	–
Withholding taxes	**13**	22
	33	87
Deferred income taxes		
Origination and reversal of temporary differences	**(3)**	12
	30	99

This charge excludes the share of joint venture's income taxes, which incurs no charge (2024: HK$5 million) for the year. The share of profit of a joint venture in the consolidated income statement is after income taxes accrued in the appropriate income tax jurisdictions.

7. Earnings per share

The calculations of basic and diluted earnings per share are based on the profit after income taxes attributable to shareholders of the Company for the year of HK$217 million (2024: HK$216 million).

The basic earnings per share is based on the weighted average of 1,616,264,989 shares (2024: 1,614,555,002 shares) in issue during the year.

The diluted earnings per share is calculated by adjusting the weighted average of 1,616,264,989 shares (2024: 1,614,555,002 shares) in issue during the year by the weighted average of 1,791,044 shares (2024: 6,807,881 shares) deemed to be issued if all outstanding share options granted under the share option schemes of the Company had been exercised.

8. Dividends

Dividends attributable to the year:

(In HK$ million)	**2025**	2024
Interim dividend declared and paid of 7.5 HK cents per share (2024: 8.0 HK cents per share)	**121**	129
Final dividend proposed after the balance sheet date of 6.4 HK cents per share (2024: 6.0 HK cents per share)	**103**	97
	224	226

On March 24, 2026, the Board has recommended a final dividend of 6.4 HK cents per share and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. The proposed dividend has not been recognized as a liability at the balance sheet date. The amount of the proposed dividend was based on the shares of the Company in issue as of the reporting date.

9. Trade and other receivables

(In HK$ million)	**2025**	2024
Trade receivables	**273**	249
Less: Loss allowance	**(41)**	(40)
Trade receivables, net	**232**	209
Other receivables, including deposits and prepayments	**137**	133
Trade and other receivables	**369**	342
Deposits and other receivables	**79**	88

Trade receivables mainly comprise amounts due from franchisees, licensees, retail proceeds due from department stores and online sales. The Group normally allows a credit period of 30–90 days. The carrying amounts of trade and other receivables approximate their fair values.

9. Trade and other receivables (continued)

The ageing analysis from the invoice date net of loss allowance is as follows:

(In HK$ million)	**2025**	2024
0 – 30 days	**136**	142
31 – 60 days	**66**	48
61 – 90 days	**12**	13
Over 90 days	**18**	6
	232	209

10. Trade and other payables

(In HK$ million)	**2025**	2024
Trade payables	**238**	292
Pension obligation	**42**	36
Other payables and accrued expense	**243**	283
	523	611

The ageing analysis of trade payables from the invoice date is as follows:

(In HK$ million)	**2025**	2024
0 – 30 days	**185**	262
31 – 60 days	**41**	19
61 – 90 days	**4**	4
Over 90 days	**8**	7
	238	292

The carrying amounts of trade and other payables approximate their fair values.

MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP RESULTS OF OPERATIONS AND FINANCIAL POSITION (“MD&A”)

Unless otherwise stated, the following commentaries refer to the year-on-year (“**YOY**”) comparison for the years ended December 31, 2025, and 2024.

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RESULTS OF OPERATIONS

Table 1: Group results of operations

(In HK$ million)	**2025**	**% to revenue**	2024	% to revenue	**Change**
Group revenue[1]	**3,854**	**100.0%**	3,919	100.0%	**(1.7%)**
Gross profit	**2,149**	**55.8%**	2,234	57.0%	**(3.8%)**
Other income and other gains, net	**117**	**3.0%**	52	1.3%	**125.0%**
Operating expense	**(1,953)**	**(50.7%)**	(1,909)	(48.7%)	**2.3%**
Operating profit	**313**	**8.1%**	377	9.6%	**(17.0%)**
Share of profit of a joint venture	**1**	**0.1%**	20	0.5%	**(95.0%)**
Finance expense	**(45)**	**(1.2%)**	(46)	(1.2%)	**(2.2%)**
Income taxes	**(30)**	**(0.8%)**	(99)	(2.5%)	**(69.7%)**
Profit after income tax attributable to non-controlling interests	**(22)**	**(0.6%)**	(36)	(0.9%)	**(38.9%)**
Profit after income tax attributable to shareholders	**217**	**5.6%**	216	5.5%	**0.5%**
Group same-store sales[2]	**2,791**		2,826		**(1.2%)**
Global brand sales[3]	**4,494**		4,571		**(1.7%)**
Global brand gross profit[3]	**2,701**		2,773		**(2.6%)**
Cash and bank balances, net of bank loans at year-end	**698**		810		**(13.8%)**
Inventories at year-end	**556**		508		**9.4%**
Inventory turnover on cost, days[4]	**119**		110		**9**
Stores at year-end	**1,609**		1,732		**(123)**

Revenue and gross profit

The Group delivered a relatively stable revenue performance for FY2025, recording a slight 1.7% decrease compared to the previous year. This modest decline was primarily due to weaker performance in our non-Giordano brands portfolio in Indonesia. Encouragingly, if we exclude the performance of these non-core brands, the revenues from our core business units would have remained flat YOY. This outcome underscores the resilience of our core segments, even as macroeconomic and geopolitical uncertainties persisted across various markets. In the latter half of the fiscal year, we observed marked revenue improvements across most Southeast Asian markets — particularly Singapore, Malaysia and Thailand — all of which reported stronger YOY growth than in the first half. The GCC markets continued their positive trend, with notable sales momentum when compared to the first six months. Despite a challenging landscape in Hong Kong's apparel sector, our sales consistently outperformed the broader market, maintaining their upward trajectory in the second half. Collectively, these achievements reflect the adaptability of our business model and its capacity to respond nimbly to evolving market circumstances. Our comparable same-store sales for core businesses recorded only a minor decline of 1.2%, predominantly impacted by the tough operating environment in Greater China and Indonesia, while our other markets posted relatively stable results.

Looking ahead, the Group remains committed to executing its four strategic choices under the Beyond Boundaries 2030 strategy. These are:

1. Revitalise our Brand Portfolio

2. Digital First

3. Winning in Greater China

4. One Giordano

These strategic choices will strengthen our customer engagement by ensuring we have the right products at the right time, and through telling compelling brand and product stories that drive traffic and engagement in our stores. Our ongoing efforts to differentiate our brand and enhance customer experiences continue to resonate with shoppers and position us well to navigate retail complexities.

Revitalising our brand portfolio is our first strategic choice, and in 2025, we started to reposition our *Giordano Ladies* brand, recognising that we have to connect and be relevant to a younger female segment who wear more casual and relaxed attire to the workplace. In 2025, by evolving the design of our products and our imagery, we achieved an 8% growth in Hong Kong and Macau in the second half. We will relaunch the *Giordano Ladies* brand in the second quarter of 2026 and roll this out to our other markets within the year.

For our *Beau Monde* by Giordano brand, we saw an increase of 29% YOY, mainly fueled by our "Digital- First" strategy, where consumers are looking for great quality products at great value.

For the non-Giordano brand segment in Indonesia, where we faced ongoing headwinds due to the global challenges Nike is facing and as it goes through its own transformation, we are taking targeted, proactive steps, such as fortifying our team capabilities and competencies, to mitigate these adverse effects and ensure agile, effective management in shifting market conditions.

Greater China delivered a relatively stable performance, with only a modest 0.8% drop in revenue, reflecting resilience amid a challenging sector backdrop. Our online channel in Greater China continued to outshine our physical store performance; however, abnormally warm weather in the fourth quarter constrained sales of winter-weight merchandise, particularly jackets, which traditionally contribute significantly to winter-season results. The Southeast Asia and Australia ("**SEA**") region recorded a 5.6% decline in sales, largely due to our Indonesian business.

That said, our other SEA markets delivered revenue growth of 1.3%, with the second half particularly robust, rebounding by 3.1% YOY, compared with a slight 0.6% decline in the first half. We saw Thailand grow 9.6%, Singapore 6.4% and Malaysia at 5.3%, with acceleration in the second half of 2025. The GCC markets also exhibited healthy growth, achieving a 4.6% increase in revenue, underscoring the effectiveness of our targeted localisation strategies that enable us to address diverse consumer profiles market by market.

In terms of retail revenue, the Group reported a minor 1.9% YOY decline. Even so, our online channels achieved impressive double-digit growth, reaching 10%. This solid performance came despite slower online sales in Mainland China during the second half due to subdued demand for heavy jackets amid unusually warm weather. Across the rest of the markets, our e-commerce platforms showed even stronger performance, with sales climbing 13.5% — and, excluding the impact of non-Giordano brands in Indonesia, growth would have reached a remarkable 25.3%. Our "Digital-First" strategy places a strong emphasis on developing e-commerce as a future growth engine, recognising that our current online penetration remains below industry benchmarks. The team's targeted digital marketing, user-experience optimisation, and partnerships with leading online marketplaces have all contributed to this success. We remain fully committed to further accelerating digital initiatives — optimising marketing, broadening our product assortment, and deepening our sourcing capabilities — as the core pillars of our "Beyond Boundaries" five-year strategic plan. Conversely, offline sales declined by 4%, principally due to the underperformance of the non-Giordano brands in Indonesia. Without this adverse effect, the decline narrows to 2.4%, mainly due to the reset plan in Mainland China, which focuses on streamlining our store portfolio and fortifying our presence in southern China. The unseasonably warm weather in Greater China further affected foot traffic and winter apparel sales. Nevertheless, our retail teams in other regions maintained a resilient performance.

Wholesale channels demonstrated a 0.7% YOY increase. Performance would have been even stronger were it not for a deliberate reduction in Mainland China wholesale volumes — a result of streamlining our operations and concentrating resources on key accounts — and lower shipments to South Korea as we exercised prudence to safeguard our financial position in response to softening demand in that market. Conversely, wholesale revenue in our overseas markets (excluding South Korea) soared nearly 20%, propelled by strong momentum in the Philippines and Myanmar. This positive trajectory is expected to continue into 2026, pending no material macroeconomic setbacks. By cultivating strong relationships with key franchisees and licensees, broadening our product offerings, and enhancing supply chain efficiencies, we are well positioned to capture additional opportunities as these markets continue to evolve and grow.

Table 2: Revenue analysis

(In HK$ million)	**2025**	**Contribution**	2024	Contribution	**Change**
Greater China	**1,701**	**44.1%**	1,714	43.7%	**(0.8%)**
Southeast Asia and Australia	**1,424**	**37.0%**	1,508	38.5%	**(5.6%)**
Gulf Cooperation Council	**729**	**18.9%**	697	17.8%	**4.6%**
Group revenue by market	**3,854**	**100.0%**	3,919	100.0%	**(1.7%)**
Offline	**2,856**	**74.1%**	2,976	76.0%	**(4.0%)**
Online	**575**	**14.9%**	523	13.3%	**9.9%**
Retail	**3,431**	**89.0%**	3,499	89.3%	**(1.9%)**
Overseas franchisees	**317**	**8.2%**	301	7.7%	**5.3%**
Mainland China franchisees	**106**	**2.8%**	119	3.0%	**(10.9%)**
Wholesale to franchisees	**423**	**11.0%**	420	10.7%	**0.7%**
Group revenue by channel	**3,854**	**100.0%**	3,919	100.0%	**(1.7%)**

The Group's gross profit margin demonstrated a remarkable rebound in the second half of the year, increasing by 0.6 percentage points YOY, a strong turnaround from the 3.3 percentage point reduction seen in the first half. As a result, the Group's full-year gross margin only posted a marginal decrease of 1.2 percentage points. If we excluded the impact of the non-Giordano brands segment in Indonesia, the overall decline in gross margin would have been limited to just 0.8 percentage points. This positive development reflects the success of our proactive selling price management and ongoing restructuring of sourcing practices, both aimed at reducing product costs. Moving forward, we will maintain a balanced pricing strategy across both online and offline channels, fully in line with our omnichannel strategic direction, to support sustained growth while ensuring healthy margins.

As highlighted in our interim results announcement, reinforcing our supply chain and enhancing our sourcing management remain top priorities for the Group, with the key objective of bringing down product costs. Our ongoing efforts in this area have yielded tangible results, with the impact of product costs on gross profit remaining minimal in the second half of the year, thanks to tighter cost controls and sourcing efficiencies. We are confident these improvements will endure well into 2026, laying a strong foundation for future profitability and reduced cost volatility.

Furthermore, the Group experienced a shift in the channel mix, with our online business accounting for a larger share of sales, as planned. While online channels typically yield lower gross profit margins than offline channels, this growth aligns with our strategic focus on accelerating digital transformation. Additionally, deliberate efforts to strategically clear aged inventories from prior years also added pressure on average selling prices. Nonetheless, our future pricing approach will continue to emphasise achieving the right balance between driving revenue and protecting gross margins across all channels, supporting our mission to create long-term sustainable value for the Group and our stakeholders.

Table 3: Gross profit analysis

(In HK$ million)	**2024 gross profit**	**Product costs**	**Selling prices**	**Volume**	**Miscellaneous**	**Currency translation difference**	**2025 gross profit**
Southeast Asia and Australia	883	3	(102)	7	1	8	**800**
Gulf Cooperation Council	447	(3)	(11)	28	–	–	**461**
Mainland China	300	(7)	(4)	1	1	–	**291**
Taiwan	264	(5)	7	(23)	–	8	**251**
Hong Kong and Macau	262	(6)	6	(8)	(1)	–	**253**
Market mix	–	3	(9)	6	–	–	**–**
Retail and distribution	**2,156**	**(15)**	**(113)**	**11**	**1**	**16**	**2,056**
Wholesale to overseas franchisees/subsidiaries	78						**93**
Group	**2,234**						**2,149**

Other income and other gains, net

Other income and gains were derived from various sources, including asset disposals, royalties, licensing fees, interest, rental income, government assistance, and exchange differences. In 2025, the Group reported a notable increase in other income, mainly attributable to the disposal of a company-owned property in Hong Kong. The transaction, completed in December 2025, resulted in a net gain of HK$49 million.

This gain contributed to the overall improvement in other income for the year and reflects the Group's ongoing activities related to asset management and portfolio optimisation.

Operating expenses and operating profit

Operating expenses saw a moderate increase of 2.3% during the year, partly due to higher advertising and promotional expenditure to support the growth of our online business in Mainland China. Additionally, there was an impact from increased operating costs associated with the ongoing implementation of the Group's "Beyond Boundaries" five-year strategic plan. These investments are consistent with our long-term strategic priorities, which focus on digital expansion and strengthening brand positioning. For the year, operating expenses represented 50.7% of revenue, compared to 48.7% in 2024. The Group remains dedicated to making targeted investments that drive brand growth while ensuring prudent, efficient resource management, all in line with our transformation towards a growth-centric organisation.

Consequently, the Group reported an operating profit of HK$313 million, representing a 17.0% YOY decrease, with an operating margin of 8.1%. It is important to note that, had the performance of the non-Giordano brands in Indonesia been on par with last year, the operating profit attributable to our core Giordano brands would have been HK$361 million, reflecting a more moderate YOY decline of 4.2%. This, in turn, was mainly attributable to softer performance in Greater China, which faced challenges due to unseasonably warm weather in the second half of the year.

Looking ahead, the Group remains steadfast in its commitment towards optimising the cost structure and continuously improving operating efficiency across all business units. We will also continue to pursue disciplined, value-driven investments that support brand development, digital capabilities, and market competitiveness. Through the ongoing execution of our five-year strategy, we aim to enhance profitability and build a foundation for long-term, sustainable growth.

Net impairment of right-of-use assets and property, plant, and equipment

The Group made a net impairment provision of HK$5 million (2024: HK$4 million) for right-of-use assets and property, plant, and equipment for the year, in accordance with Hong Kong Accounting Standard 36.

Finance expense

The finance expense decreased to HK$45 million (2024: HK$46 million), mainly due to lower imputed interest on lease liabilities.

Profit after income taxes attributable to shareholders

Profit after income taxes attributable to shareholders of the Company ("**PATS**") rose by HK$1 million YOY to HK$217 million for the year, demonstrating a stable YOY performance compared to HK$216 million in 2024. This consistency in earnings was achieved despite an increasingly challenging retail environment and ongoing macroeconomic uncertainties. Notably, the Group delivered a net margin improvement of 0.1 percentage point to 5.6% (2024: 5.5%), underscoring the effectiveness of our continued focus on operational efficiency and disciplined expense management.

While PATS registered a marginal increase over the prior year, it is worth noting that the Group's underlying profitability would have been even more encouraging if not for the temporary setbacks in certain business segments. The underperformance of non-Giordano brands in Indonesia, alongside headwinds encountered by our joint venture ("**JV**") business in South Korea — where we maintain a 48.5% equity stake — offset improvements and gains generated by other core business units. Had these segments maintained the levels of profitability achieved last year, the Group would have reported PATS of HK$262 million. This scenario highlights the sustained resilience and strong execution of our core Giordano business, especially in SEA and the GCC markets, which continue to deliver solid financial results amid external challenges.

Regarding our South Korean JV, prolonged competitive and economic pressures have affected performance, resulting in a shared profit of HK$1 million — a decrease of HK$19 million from the prior year (2024: HK$20 million). Despite these headwinds, the Group remains fully committed to a collaborative approach with our fellow shareholders, proactively identifying strategic opportunities and implementing initiatives to mitigate the impact of prevailing market conditions. Management is confident that through such joint efforts, the JV will be well-positioned to benefit from future recovery and capitalise on upcoming growth opportunities as the economic landscape stabilises.

The effective tax rate decreased to 11.2%, reflecting a favourable shift in the mix of tax jurisdictions. This was also achieved through a combination of tax refunds and the reversal of certain provisions following regular tax compliance reviews, contributing to optimised post-tax profitability.

Looking ahead, the Group is firmly focused on executing its "Beyond Boundaries" five-year strategic plan, emphasising disciplined cost management and sustainable long-term growth. By maintaining a proactive stance, investing in operational excellence, and leveraging our strengths in core markets, we are confident that we will further enhance profitability and deliver lasting value to our shareholders and stakeholders as market conditions continue to improve.

MARKET ANALYSIS

The following comments are in local currencies, or, if in HK$ terms, are at constant exchange rates to remove distortions from the translation of financial statements.

Greater China

Table 4: Greater China profit before income taxes

(In HK$ million, translated at constant exchange rates)	**2025**	**% to revenue**	2024	% to revenue	**Change**
Revenue	**1,417**	**100.0%**	1,454	100.0%	**(2.5%)**
Gross profit	**787**	**55.6%**	826	56.8%	**(4.7%)**
Other income and gains, net	**9**	**0.6%**	12	0.8%	**(25.0%)**
Operating expense	**(807)**	**(57.0%)**	(797)	(54.8%)	**1.3%**
Operating (loss) profit	**(11)**	**(0.8%)**	41	2.8%	**(126.8%)**
Finance expense	**(10)**	**(0.7%)**	(10)	(0.7%)	**Flat**
(Loss) profit before income taxes	**(21)**	**(1.5%)**	31	2.1%	**(167.7%)**

Hong Kong and Macau

The Hong Kong and Macau markets exhibited a positive trajectory, particularly in the months of October and November, where we grew 21% and 7%, respectively, in the second half, with the rate of decline improving to -0.5%, as compared to -2.2% in the first half. This resulted in a modest YOY decrease of -1.4%. Market performance was impacted by exceptionally unfavourable weather conditions, including increased typhoon activity, heavy rainfall, and unseasonably warm temperatures in December, and the Hong Kong apparel market decreased by 10% YOY. Nevertheless, the markets' relative resilience reflects the effectiveness of our focused strategies and operational excellence.

This encouraging outcome was largely driven by successful product initiatives, such as the launch of the "*Harry Potter*" crossover collection, which resonated strongly with consumers and significantly boosted engagement in both regions. These achievements were realised despite ongoing challenges posed by shifting consumer spending patterns towards Mainland China. Additionally, our online business in Hong Kong and Macau rebounded robustly in the second half, moving from flat YOY performance in the first half to a remarkable 40% growth in the second half. This translated to an overall YOY online sales growth of 18.2%, underscoring the impact of our targeted digital strategies and continuous refinement of our e-commerce operations.

Importantly, our performance in Hong Kong outpaced the broader wearing apparel sector, as reported by the HKSAR Government. This outperformance highlights the strength of our "Beyond Boundaries" five-year strategic plan, the enduring equity of our brand, and the operational discipline of our teams. Our approach, centred on compelling brand and product storytelling, consistent product innovation, and an unwavering commitment to retail excellence, continues to drive our market-leading position. While profitability was affected by the normalisation of rents to pre-pandemic levels as the market transitions to the post-COVID-19 landscape, we remain highly confident of the ongoing recovery and future growth potential in both Hong Kong and Macau.

Giordano Ladies, our premium womenswear line, has entered an exciting growth phase with a 5% YOY sales increase. Leveraging our established reputation in smart office attire, we are evolving the brand towards a contemporary, relaxed, and business-casual aesthetic — embodying our concept of "premium elegance". This repositioning addresses the evolving preferences for comfort, individuality, and versatility in modern workwear, driven by the rise of remote working and the influence of younger consumers. To further reinforce the brand's refreshed image, we plan to renovate our flagship store in Central, Hong Kong, to enhance the overall retail experience and showcase our elevated collections more effectively.

For our core Giordano brand, the upcoming launches of new merchandise collections — such as the highly anticipated "*Tom and Jerry*" range and the Lunar New Year campaign, "*The Horse for Success*" — are set to deepen our connection with customers, drive sales growth, and further enhance margins. Additionally, the introduction of the *Korea Collection* has continued to generate valuable cross-market synergies, reinforcing brand vitality and expanding consumer appeal in Hong Kong.

Overall, we remain focused on executing our strategic priorities, investing in product innovation, and elevating the customer experience to ensure sustainable success in these key markets.

Mainland China

In Mainland China, comparable store sales registered a notable YOY increase of 5.2%. This progress reflects the effective execution of our China recovery plan and our "Digital-First" strategy, both of which are central to our transformation agenda. Although total revenue remained largely flat, this was a calculated outcome of our strategic store consolidation, which focused on closing underperforming outlets in the physical retail channel. These efforts not only optimised our portfolio but also enhanced the overall quality and sustainability of our business.

Our online channel continued to outperform offline operations, with e-commerce revenue increasing by 8.8% YOY. Despite a slowdown in the second half — impacted by unseasonably warm weather affecting winter merchandise sales and a high prior-year sales base driven by clearance activity — online profitability improved, underscoring our focus on balancing growth with margin enhancement. This success aligns closely with the "*Beyond Boundaries*" five-year strategic plan, which positions digitalisation as a core driver of business evolution. By prioritising digital transformation, we have leveraged e-commerce platforms to respond rapidly to changing consumer preferences while expanding our reach and operational agility. Our online business's performance on VIP.com and Tmall platforms continued the accelerated growth of 25% and 23%, respectively.

Operational excellence is further supported by a tailored approach to merchandise segmentation across online platforms. This targeted strategy allows us to precisely address the diverse needs of our customer base — positioning premium product collections such as *Giordano Ladies* and the *Korea Collection* for aspirational consumers, while utilising channels like VIP.com to efficiently manage aged inventory. This clear differentiation enhances both revenue potential and gross margin, supporting a healthy commercial balance. As we continue to refine our digital and merchandising strategies, we are confident that our focus on differentiated consumer experiences will drive robust, sustainable growth.

As a result of these strategic initiatives, the contribution of online sales to our overall business expanded significantly, reaching 69%, up from 63% in 2024. This shift underscores the increasing importance and strength of our online presence in Mainland China. However, the combination of targeted discounting to clear aged inventory and the buildup of slow-moving merchandise contributed to a lower overall gross profit margin. These short-term impacts are part of our commitment to positioning the business for long-term success.

On the offline side, we recognise ongoing challenges. Earlier declines, driven by aged inventory and diminished brand perception, highlighted the need for targeted revitalisation efforts. Previous periods of de-prioritisation and limited brand investment have prompted a renewed, strategic focus on rebuilding momentum. In 2025, we streamlined our organisational structure to enhance cost-effectiveness and set the stage for a reset of our offline operations. Our "*Beyond Boundaries*" five-year plan now prioritises development in southern China, capitalising on existing brand recognition and operational efficiencies. Once proven successful, we will extend this approach to other regions and further invest in brand and product innovation.

Looking ahead, Mainland China remains a critical focus and "must-win" market in our five-year strategic roadmap. We are committed to recalibrating and revitalising both online and offline channels, driving the return to sustainable profitability and supporting the Group's long-term growth ambitions. Through disciplined strategy execution and ongoing investment, we are confident in our capacity to unlock new opportunities and deliver lasting value in this pivotal market.

Taiwan

The Taiwanese market encountered a period of stagnation, with revenue decreasing by 7.0%. This trend mirrors the wider economic slowdown and was further exacerbated by unseasonably warm weather in the fourth quarter. Despite these macro challenges, our online channel posted robust YOY growth of nearly 4%, reflecting the effectiveness of our ongoing strategy to expand and strengthen our e-commerce capabilities.

Although the offline business experienced headwinds stemming from both economic factors and unfavourable weather, we remain optimistic about future growth prospects. Following the restructuring of our leadership team in 2026, we anticipate renewed momentum in offline retail performance. Going forward, our strategic focus will be on achieving retail excellence, particularly in the critical areas of buying and merchandising. By optimising our product assortment and refining allocation across stores, we aspire to better align our offerings with shifting consumer preferences and maximise sales potential at the store level.

We are confident these targeted initiatives will enhance operational efficiency and elevate the customer experience, thereby positioning the Group to capture increased market share as the economy rebounds. As part of our ongoing commitment to long-term success, we will continue to invest in both digital and brick-and-mortar retail operations, utilising data-driven decision-making to ensure agility and responsiveness in an evolving market landscape. Through these proactive steps, we remain well-positioned to seize new opportunities and drive sustainable growth in the Taiwanese market.

Table 5: Greater China revenue and store count

				Stores at year-end					
	Revenue			Franchised		Direct operated		Total	
(In HK$ million, translated at constant exchange rates)	**2025**	2024	**Change**	**2025**	2024	**2025**	2024	**2025**	2024
Mainland China	**659**	661	**(0.3%)**	**236**	294	**76**	107	**312**	401
Taiwan	**397**	427	**(7.0%)**	**–**	–	**166**	167	**166**	167
Hong Kong and Macau	**361**	366	**(1.4%)**	**–**	–	**47**	41	**47**	41
Total	**1,417**	1,454	**(2.5%)**	**236**	294	**289**	315	**525**	609

In summary, our recent performance in the Greater China region reflects the impact of previous periods of de-prioritisation and underinvestment in both product and brand development, resulting in outcomes below our long-term expectations. However, under our "*Beyond Boundaries*" five-year strategic plan, Greater China has been reaffirmed as a priority market and a key driver of our growth ambitions. We will continue our reset plan for physical retail and our digital-first strategy for online business.

Recognising the immense potential and strategic significance of this region, we are fully committed to resetting, recalibrating, and revitalising the business across Mainland China, Hong Kong, Macau, and Taiwan. To achieve this, we will deploy additional resources and leadership focus to accelerate growth and capitalise on new opportunities.

Looking ahead, our strategy will centre on targeted initiatives to strengthen brand equity, enhance store productivity, and optimise inventory management. These actions are expected to effectively address legacy challenges and lay a robust foundation for long-term, sustainable growth in this critical, must-win market. With renewed focus and investment, we are confident that Greater China will become a powerful engine driving the Group's future success.

Southeast Asia and Australia

Table 6: Southeast Asia and Australia profit before income taxes

(In HK$ million, translated at constant exchange rates)	**2025**	**% to revenue**	2024	% to revenue	**Change**
Revenue	**1,418**	**100.0%**	1,508	100.0%	**(6.0%)**
Gross profit	**792**	**55.8%**	883	58.6%	**(10.3%)**
Other income and other gains, net	**8**	**0.6%**	6	0.4%	**33.3%**
Operating expense	**(635)**	**(44.8%)**	(648)	(43.0%)	**(2.0%)**
Operating profit	**165**	**11.6%**	241	16.0%	**(31.5%)**
Finance expense	**(21)**	**(1.4%)**	(21)	(1.4%)	**Flat**
Profit before income taxes	**144**	**10.2%**	220	14.6%	**(34.5%)**

Revenue in this geographical cluster declined by 6.0%, primarily due to headwinds in our Indonesia business. Excluding Indonesia, the cluster's revenue showed greater resilience, decreasing by only 3% YOY. Notably, the Singapore market delivered a solid YOY growth of 4.3%. Most encouragingly, all major markets outside Indonesia reported positive trajectories in the second half, signalling an ongoing recovery and strengthening market positions.

Thailand achieved a significant recovery, swinging back to 3.4% growth during the second half of the year. This swift improvement reflected our agility in sourcing and our ability to capitalise on heightened consumer demand for "*black merchandise*" following a significant national event. Malaysia's performance gained momentum in the second half, with sales increasing by 1.3%. These trends affirm the effectiveness of our market-specific initiatives and our focus on improving competencies and capabilities in retail operations.

Our commitment to digital acceleration is yielding strong results, as evidenced by a 35% YOY growth in e-commerce revenue across the cluster (excluding Indonesia). We plan to build on this momentum in 2026 by rolling out e-commerce-exclusive collections, such as our *Korean Collection*, tailored to engage and delight our increasingly digital-native customer base.

In Indonesia, performance was impacted primarily by non-Giordano brands. We have taken decisive steps to reshape our brand portfolio, phasing out certain non-strategic third-party brands, including Timberland and North Face, and retaining Nike, which is currently repositioning its business globally. We anticipate that Nike will return to growth in the near term, particularly with the launch of innovative products aligned with key global sporting events such as the 2026 World Cup. Over the longer term, our focus will be on consolidating resources and prioritising the expansion of our proprietary brands throughout Southeast Asia, including Indonesia.

Overall, the region continues to present compelling opportunities for growth. We are actively enhancing our product assortments and elevating operational standards to address market-specific challenges, while pursuing localisation strategies to unlock further potential. Looking ahead, we are confident in the long-term prospects of our Southeast Asia and Australia markets. By leveraging our key strategic initiatives — particularly the expansion of our digital footprint and the strengthening of our core brand portfolio — we are well-positioned to drive sustained growth and improved profitability across all segments in this dynamic region.

Table 7: Southeast Asia and Australia revenue and store count

	Revenue			Stores at year-end	
(In HK$ million, translated at constant exchange rates)	**2025**	2024	**Change**	**2025**	2024
Indonesia#	**699**	767	**(8.9%)**	**195**	210
Thailand	**267**	273	**(2.2%)**	**158**	155
Singapore	**219**	210	**4.3%**	**32**	31
Malaysia	**153**	159	**(3.8%)**	**84**	86
Vietnam	**64**	73	**(12.3%)**	**27**	30
Australia	**12**	22	**(45.5%)**	**3**	5
Cambodia	**4**	4	**Flat**	**2**	2
Total	**1,418**	1,508	**(6.0%)**	**501**	519

*In addition to the Giordano brand, Giordano Indonesia also operates world-famous apparel and sports brands under franchise or license agreements, which primarily include Nike, but also The North Face, Timberland and Keds (each a "**Non-Giordano Brand**" and collectively, the "**Non-Giordano Brands**"). 42 (2024: 58) of the 195 (2024:210) stores are Non-Giordano Brand stores.*

The Gulf Cooperation Council

Table 8: The Gulf Cooperation Council profit before income taxes and store count

(In HK$ million, translated at constant exchange rates)	**2025**	**% to revenue**	2024	% to revenue	**Change**
Revenue	**730**	**100.0%**	697	100.0%	**4.7%**
Gross profit	**461**	**63.1%**	447	64.1%	**3.1%**
Other income and gains, net	**6**	**0.8%**	5	0.7%	**20.0%**
Operating expense	**(328)**	**(44.9%)**	(311)	(44.6%)	**5.5%**
Operating profit	**139**	**19.0%**	141	20.2%	**(1.4%)**
Finance expense	**(14)**	**(1.9%)**	(16)	(2.3%)	**(12.5%)**
Profit before income taxes	**125**	**17.1%**	125	17.9%	**Flat**
Franchised stores	**45**		44		**1**
Direct-operated stores	**144**		139		**5**
Stores at year-end	**189**		183		**6**

Despite ongoing geopolitical challenges in neighbouring regions, our business in the GCC markets delivered robust revenue growth of 4.7% YOY while maintaining stable profitability. Sales momentum accelerated throughout the year, with second-half revenue increasing by an impressive 7.5% — substantially above the first half's 2.2% growth.

Our online channel was a key driver of performance, reporting outstanding 36.4% YOY revenue growth in the second half, building on the remarkable 33.3% increase achieved in the first half. As a result, full-year online revenue for the GCC cluster surged by 35% YOY. This exceptional growth reflects both the successful expansion of our proprietary digital platforms and strong partnerships with leading third-party e-commerce operators. It also underscores a clear and accelerating shift in consumer shopping behaviour toward digital channels within the region.

Overall success in the GCC was underpinned by enhanced product availability and the effective execution of targeted marketing initiatives tailored to local consumer preferences. We recognise that the GCC market presents distinct characteristics compared with Greater China and Southeast Asia, and as such, we continue to leverage localised product innovation and customised marketing strategies to deepen market relevance and engagement.

Looking ahead, we are confident that our focused approach — centred on digital transformation, product excellence, and market-responsive engagement — will deliver continued growth and reinforce our leadership position within the GCC. Through ongoing investment in digital infrastructure and innovative product assortments, we are well-positioned to capitalise on market opportunities and drive sustainable value creation across the region.

South Korea (a 48.5% joint venture under an independent management team)

Table 9: South Korea's share of net profit and store count

(In Korean Won million)	**2025**	**% to revenue**	2024	% to revenue	**Change**
Revenue	**131,955**	**100.0%**	147,825	100.0%	**(10.7%)**
Gross profit	**68,269**	**51.7%**	77,826	52.6%	**(12.3%)**
Net profit	**441**	**0.3%**	7,356	5.0%	**(94.0%)**
Share of net profit	**214**		3,571		**(94.0%)**
Stores at year-end	**97**		123		**(26)**

Our South Korean joint venture encountered challenging market conditions during the year, resulting in a notable decline in profitability and a significant reduction in our attributed share of profit. This performance was primarily driven by subdued consumer demand amid ongoing political instability and a dynamic competitive landscape, which placed additional pressure on market participants.

Although the Group holds a 48.5% non-controlling interest in the joint venture, we are actively engaging with our partners to address these challenges. Together, we are committed to identifying and implementing strategic solutions to stabilise operations and unlock future growth potential. Our collaborative strategy leverages the JV's strong brand equity and robust marketing capabilities to regain momentum and position the business for long-term success as economic conditions normalise.

Additionally, our operations in South Korea are providing valuable insights and best practices that benefit the wider Group. For example, the introduction of the *Korea Collection* in Greater China has received very positive consumer feedback, affirming our strategy of leveraging cross-market innovations. We plan to further extend this collection to Southeast Asia in response to rising customer interest and evolving trends.

In conclusion, although the South Korean joint venture has encountered short-term challenges, we are optimistic about prospects for recovery and expansion. By building on strong brand foundations and deepening collaboration with our JV partners, we are confident that our proactive initiatives will unlock renewed opportunities and drive sustainable value for the Group moving forward.

Overseas (outside Greater China) franchisees and licensees

Table 10: Overseas franchised store count

	2025	2024
Southeast Asia	**188**	190
South Korea*	**97**	123
South Asia	**102**	102
Africa	**29**	27
Other markets	**23**	23
Total	**439**	465

* The Group possesses a 48.5% equity interest in the South Korean joint venture, which is also one of the Group's franchisee.

Our overseas franchised and licensed network delivered exceptional growth during the year, demonstrating the effectiveness of our collaborative partnerships and the comprehensive support we extend to our partners. Wholesale revenue to these markets increased by nearly 20% YOY, with the Philippines achieving especially strong results. This performance underscores the accelerating demand for our brand and products and highlights the solid platform we have built across key international markets.

Although wholesale activity in South Korea moderated in line with expectations amid temporary market challenges, as previously noted, we remain highly optimistic about the growth outlook in other established markets, particularly the Philippines and Myanmar. Looking ahead, we anticipate further growth in store count, driven by our continued expansion into high-potential emerging markets, including Africa and South Asia. India, in particular, represents a compelling long-term growth opportunity given its market size and dynamic consumer landscape.

This sustained momentum validates the success of our strategic focus on expanding our international footprint and equipping our franchisees and licensees to thrive across diverse market environments. We are committed to providing best-in-class resources, operational expertise, and brand support to ensure the continued prosperity of our partners. By fostering a vibrant and empowered global partner network, we are well-positioned to drive sustainable growth and capture future opportunities across our overseas markets.

FINANCIAL POSITION

Liquidity and Financial Resources

As of December 31, 2025, the Group's cash and bank balances, net of bank loans, totalled HK$698 million (2024: HK$810 million). The YOY reduction was primarily attributable to moderated operating cash inflows, largely resulting from higher inventory holdings to support increased demand during the earlier Ramadan festive season. Management remains proactive in reviewing the dividend payout framework to better align with prevailing market practices and optimise shareholder value. Despite the decrease in cash flow, the Company retains a strong and resilient financial position, providing a solid foundation to support ongoing growth initiatives and operational needs.

The bank borrowings amounted to HK$25 million (2024: HK$26 million). The Group's gearing ratio, defined as total bank borrowings over total equity, was 1.2% (2024: 1.2%). The Group's current ratio was 1.6 (2024: 1.5), based on current assets of HK$1,671 million (2024: HK$1,692 million) and current liabilities of HK$1,026 million (2024: HK$1,134 million).

Property, Plant, and Equipment

Capital expenditure for the year amounted to HK$66 million (2024: HK$66 million), with the majority of investments directed toward store enhancements and relocations.

Goodwill and Put Option Liabilities

The goodwill and put option liability originated from the acquisitions of our GCC operations in 2012 and 2015. The Group has carried out the requisite impairment assessments and confirmed that no impairment of goodwill is required.

Interest in the South Korea Joint Venture

The carrying value of our 48.5% equity interest in the South Korea joint venture, accounted for using the equity method, decreased by 6% to HK$389 million. This variation was mainly attributable to fluctuations in the Korean Won exchange rate and the receipt of dividend income.

Inventories

As at year-end, the Group's inventory balance was HK$556 million (2024: HK$508 million), and ITOC was 119 days (2024: 110 days). The increase in inventory was primarily driven by earlier scheduling for 2026 Ramadan, necessitating shipments prior to year-end. As a result, finished goods held at our suppliers declined significantly year-over-year. Despite these strategic arrangements, our overall inventory levels remain stable, underscoring the effectiveness of our inventory management and proactive supply chain planning.

To maintain optimal inventory positions and mitigate potential off-balance sheet risks, the Group consistently monitors inventories held with suppliers and franchisees. As previously noted, finished goods at suppliers were lower than last year, reflecting earlier shipments to support preparations for the early Ramadan in the first quarter of 2026. In our South Korean joint venture, inventory accumulation was observed amid market headwinds; however, local management has swiftly implemented measures to moderate future shipments, ensuring inventory levels align with anticipated demand.

Management remains committed to continually enhancing the Group's sourcing and supply chain capabilities. Ongoing comprehensive reviews are being conducted to further boost stock turnover, streamline operational processes, and increase our agility in responding to evolving market requirements. These initiatives are expected to support the Group's future growth, reinforce supply chain resilience, and advance our reputation for prudent and efficient inventory management.

Table 11: System inventories

	At December 31	
(In HK$ million)	**2025**	2024
Inventories owned by the Group	**556**	508
Inventories held by 48.5% South Korea joint venture	**273**	178
Inventories held by franchisees in Mainland China	**34**	34
Finished goods at suppliers	**18**	28
Inventories not owned by the Group	**325**	240
Total system inventories	**881**	748

Trade Receivables and Payables

Trade receivables and payables turnover days were 48 days (2024: 44 days) and 51 days (2024: 63 days), respectively.

Dividends

The Company adopted a dividend policy on November 8, 2018 (the "**Dividend Policy**"). The Dividend Policy aims to return surplus cash to its shareholders through dividend payouts. In line with the Dividend Policy, the Company has been paying a substantial portion of its earnings as an ordinary dividend, which may vary depending on cash on hand, future investment requirements, and working capital considerations.

Management continues to closely examine the dividend payout decision to align with more typical market norms, while considering long-term sustainability and balanced capital allocation for future growth. Therefore, the Board of Directors recommended a final dividend of 6.4 HK cents per share (2024: 6.0 HK cents per share). With the interim dividend of 7.5 HK cents per share (2024: 8.0 HK cents per share) paid on Friday, October 3, 2025, the full-year dividend will amount to 13.9 HK cents per share (2024: 14.0 HK cents per share) with a payout ratio of 103.7%. Subject to the approval of the shareholders at the forthcoming annual general meeting of the Company, the final dividend will be payable on Thursday, June 18, 2026 to shareholders whose names appear on the register of members of the Company on Monday, June 8, 2026.

OUTLOOK

As the curtain rises on our journey into 2026 and beyond, Giordano stands not just at a turning point, but at the threshold of a reinvention.

At the same time, we remain mindful of an increasingly complex external environment. Geopolitical uncertainty in the Middle East that we operate could potentially impact consumption sentiment and costs. While the team is responding with near-term measures to ensure resilience and continuity, our revitalisation of the Giordano brand reflects a longer-term commitment to strengthening relevance, agility and sustainable growth.

A Chapter of Reinvention — Honouring Our Roots, Embracing the Future

Giordano's legacy has always been tied to its ability to adapt, survive, and thrive. As the world continues to shift and consumer expectations and styles evolve, the apparel industry is being reshaped, and brands must evolve to remain relevant.

The successful refresh of *Giordano Ladies* has further strengthened our conviction that the time is right to revitalise our core Giordano brand — reconnecting with loyal customers while engaging a new, cross-generational audience. This renewal will redefine our narrative, shaping a brand experience that is authentic, contemporary and compelling. Through thoughtful design, stronger storytelling and more meaningful customer engagement across every garment, campaign and digital touchpoint, we aim to ensure that Giordano remains woven into the everyday lives and aspirations of generations to come, from Asia to the world.

Planting Seeds for Tomorrow — Customer-Centric Transformation

We no longer see the customer simply as the endpoint of a transaction, but as a partner in our story. With every product line, from the playfully creative *Giordano Concepts* ("**GC**") to the sophisticated *Giordano Ladies*, we are inviting customers to share in a vision of confidence, comfort, and self-expression.

Our commitment extends to the everyday experiences — whether it's the welcoming warmth of our physical stores, the intuitive ease of our online platforms, or the personal connection felt in every brand story we tell. We are embedding customer insights and digital tools at the heart of our operations, making every interaction smarter, more meaningful, and more memorable.

Beyond Boundaries — Our Four Strategic Pillars

Our strategic choices have guided us well — but 2026 sees us interpreting them with new depth and purpose:

Our "Beyond Boundaries" five-year strategic plan remains our North Star, but our approach is constantly evolving as we recalibrate and re-energise the Group's foundation so that we are not merely keeping pace with the industry, but setting the pace to reconnect with our customers. The willingness to embrace change, to be flexible, and to react is stronger than ever, and the commitment to becoming a growth company and to creating lasting value for all our stakeholders remains strong.

1. **Revitalise Our Brand Portfolio:**

   At the heart of our transformation is a continued evolution of our products for the Giordano brand. We believe that great products are the heartbeat of every successful brand, from design and development to sourcing, we will continue to bring to markets great products, with great quality at great value. Our story will be told in the details — the textures of our fabrics, the cut of our garments, the dynamism of our campaigns. Creating brand heat means not just following trends, but setting them. By investing in research, design, and cross-market inspiration, we aim to build collections that surprise and delight. We are expanding our reach to engage new audiences, especially the digitally savvy, young, and female consumers who represent the creative pulse of tomorrow's retail.

   2026 will be the year we revitalising our brand through the relaunch of:

   Giordano Ladies

   In 2026, we will relaunch our *Giordano Ladies* brand with a revitalised brand campaign, a short-hand logo and the relaunch of our flagship store in Central Hong Kong with our new store design aimed at attracting a younger audience to our brand as we become more relaxed and casual for our office ladies attire. We have seen an improvement in our sales in the second half of 2025 through the launch of our new store in Causeway Bay and productivity improvements through the revitalisation of our brand imagery and introduction of products that are more relaxed and casual for the office workplace.

Giordano (Core Brand)

In the last quarter of 2026, we will relaunch *Giordano*, our core brand, in Hong Kong.

The refreshed concept is designed to reconnect with long-standing customers while strengthening the brand's cross-generational appeal, offering everyday apparel defined by trusted quality and strong value.

The transformation will also be reflected in our retail experience. A new store format — guided by the art of simplicity — will create spaces that feel fresh, inviting and accessible, located in leading shopping malls in Hong Kong. This will be complemented by the launch of our new website in April, bringing all our brands together on a unified digital platform.

We will continue to build our newly launched label *GC* by Giordano, which was launched in October of last year. Launched in Mainland China, we will continue to build the brand and launch it in our other markets throughout 2026. *GC* will be our label within Giordano for the young fashion forward consumer.

Beau Monde by Giordano will continue to be our main brand to drive for driving our business in Mainland China. With the quality of Giordano, but at lower prices, this brand has been successfully growing in the past few years.

2. Digital-First Leap:

Digital-First is our second strategic pillar, and we will continue to accelerate our digital journey to be where our customers expect us to be across the platforms in the e-commerce universe. The world of retail is borderless, and so too must our brand become. We are taking bold strides to transform our digital footprint, using data intelligence to personalise our offerings and digital storytelling to deepen connections. The seamless blend of online and offline is our ambition — creating an ecosystem where Giordano is not just a store, but a destination. We want every customer to feel seen, valued, and inspired, wherever they encounter our brand.

Our revenue mix of e-shop to physical retail is still below industry norms, and we will continue to focus on accelerating our e-shop business in Mainland China and the rest of the world.

Launching in April will be a new look and feel for the proprietary site in Hong Kong and Singapore, and then all other markets, where the site will be in line with the relaunched positioning of Giordano. The proprietary site will sell all our brands and also have exclusive products and collaborations.

3. **Winning in Greater China and Beyond:**

Our 3rd strategic choice is "Winning in Greater China", as well as our home market of Hong Kong. We have identified Greater China as our must-win battlefield where we will accelerate our e-commerce business and reset our physical retail business. Our journey is anchored in our roots, but our ambitions are global. By doubling down on the pivotal markets of Mainland China, Hong Kong and Taiwan with tailored strategies and localised brand activation, we are winning back market share and building new momentum. The reset of our channel models and accelerated digital launches are already showing encouraging signs. In Southeast Asia and the GCC, our adaptable approach continues to unlock opportunity and profitability.

4. **One Giordano — Unified, Empowered, Agile:**

One Giordano is our fourth strategic pillar. Real transformation begins from within. We are reshaping our organisation into a collective of empowered creators, agile thinkers, and passionate brand ambassadors. With professionalised sourcing, cross-functional teamwork, and a relentless focus on learning, we are building the culture and capabilities needed to fuel innovation and execute our vision at scale through our global-local operating model.

Courageous Investment — Creating Value Beyond Numbers

We know that true transformation takes time, vision, and unwavering commitment. Our resources are being purposefully channelled into bold initiatives: rebranding, product innovation, technology integration, and operational excellence. While short-term financial metrics may shift as a result, our focus remains steadfast on strengthening our brand equity, market position, and capacity for sustainable growth. This is an investment in tomorrow — a strategic sowing of seeds whose blossoms will be enjoyed for years to come.

We see the current phase as an investment in ourselves, our customers, and the future of retail — an act of value creation. We are also investing in learning, collaboration, and leadership development — ensuring that every employee feels inspired to write the next chapter.

A New Era of Storytelling — Building a Living Icon

When we first announced the "Beyond Boundaries" five-year strategy, it is about bringing sustainable growth and building an iconic, enduring brand.

Our vision is clear: To make Giordano not only a brand, but a living, breathing icon of Asian apparel — an embodiment of comfort, confidence, and creativity.

Invitation to Shareholders and Stakeholders — Join Our Adventure

We invite our shareholders, partners, staff, and customers to join us on this adventure. The road ahead will be challenging, but also exhilarating. The investments, choices, and changes we make together now will echo through time, building the foundation for a thriving, innovative, and truly global Giordano.

Thank you for your trust, your belief, and your ongoing support. Together, we will go beyond boundaries — beyond fashion, beyond markets, beyond expectations.

OTHER INFORMATION

Human Resources

As of December 31, 2025, the Group had approximately 5,237 employees. The Group offers competitive remuneration packages and generous, goal-oriented incentives targeted to different levels of staff. We provide senior managers with performance-based/discretionary bonus schemes, as well as share options and awards to reward and retain a high-calibre leadership team. We also invest heavily in training in sales and customer service, management, planning, and leadership development to maintain a skilled and motivated workforce. The Group facilitates the younger executives to take up management roles. On December 31, 2025, the average age of the Group's management team was 49.

Annual General Meeting

The annual general meeting of the Company is scheduled to be held on Thursday, May 28, 2026 (the "2026 AGM"). A notice convening the 2026 AGM, which constitutes part of the circular to shareholders, will be sent to the shareholders together with the 2025 annual report of the Company. The notice of the 2026 AGM and the proxy form will also be available on the websites of the Company and Hong Kong Exchanges and Clearing Limited.

Closure of Register of Members

Annual General Meeting

For determining the entitlement to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Friday, May 22, 2026 to Thursday, May 28, 2026 (both days inclusive), during which period no share transfers will be registered. The record date for determining the entitlement to attend and vote at the 2026 AGM is Thursday, May 28, 2026. In order to be eligible to attend and vote at the 2026 AGM, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, May 21, 2026.

Final Dividend

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, June 4, 2026 to Monday, June 8, 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date for determining the entitlement to the proposed final dividend is Monday, June 8, 2026. In order to qualify for the proposed final dividend, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, June 3, 2026.

Corporate Governance Code

During the year ended December 31, 2025, the Company has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, except for the following deviation:

Code provision B.2.2

Code provision B.2.2 provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to the bye-laws of the Company, one-third of the Directors, with the exception of Chairman or Managing Director, shall retire from office by rotation at each annual general meeting. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the Chairman and Managing Director, therefore, the Board is of the view that the Chairman and the Managing Director should be exempt from this arrangement at the present time.

Securities Transactions by Directors

The Company has adopted its own Code of Conduct for Securities Transactions by Directors (the "Code of Conduct for Securities Transactions"). This is on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, and has been updated from time-to time. Having made specific enquiries to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code and the Code of Conduct for Securities Transactions throughout the year ended December 31, 2025.

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended December 31, 2025.

Review of Annual Results

The Group's audited consolidated financial statements for the year ended December 31, 2025, including the accounting principles and practices adopted have been reviewed by the Audit Committee in conjunction with the Company's external auditor.

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, and the related notes thereto for the year ended December 31, 2025, as set out in the preliminary announcement have been agreed upon by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement, and consequently, no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

By Order of the Board
Colin Melville Kennedy CURRIE
Chief Executive Officer and Executive Director

Hong Kong, March 24, 2026

At the date of this announcement, the Board comprises four Executive Directors; namely, Mr Colin Melville Kennedy CURRIE (Chief Executive Officer), Dr CHAN Ka Wai, Mr Mark Alan LOYND, and Mr LEE Chi Hin, Jacob; three Non-executive Directors; namely, Mr TSANG On Yip, Patrick (Chairman), Ms CHENG Chi-Man, Sonia and Mr CHENG Chi Leong, Christopher; and four Independent Non-executive Directors; namely, Professor WONG Yuk (alias, HUANG Xu), Dr Alison Elizabeth LLOYD, Mr Victor HUANG and Mr CHAU Kwok Wing Kelvin.

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

2 "Group same-store sales" means retail 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/gross profit" comprises all Giordano retail sales/gross profit from direct-operated stores, franchised stores and stores operated by a joint venture. These are at constant exchange rates.

4 "Inventory turnover on cost" is calculated by dividing inventories at year-end by the cost of sales multiplied by the number of days in the year.