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FORWARD FASHION  
HOLDINGS

**Forward Fashion (International) Holdings Company Limited**

**尚晉(國際)控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2528)**

**ANNUAL RESULTS ANNOUNCEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the “**Board**”) of Forward Fashion (International) Holdings Company Limited (the “**Company**”) is pleased to announce the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024. The financial information has been approved by the Board.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	<i>Notes</i>	<b>Year ended 31 December</b>	
		<b>2025</b>	<b>2024</b>
		<b>HKD'000</b>	<b>HKD'000</b>
<b>Revenue</b>	4	<b>870,175</b>	938,315
Cost of sales		<u>(456,269)</u>	<u>(517,540)</u>
<b>Gross profit</b>		<b>413,906</b>	420,775
Selling and marketing expenses		(267,027)	(394,542)
General and administrative expenses		(76,055)	(93,316)
Other income and gains – net		<u>8,257</u>	<u>1,311</u>
<b>Operating profit/(loss)</b>		<u><b>79,081</b></u>	<u>(65,772)</u>
Finance income		<b>529</b>	1,989
Finance costs		<u>(13,033)</u>	<u>(17,139)</u>
Finance costs – net	6	<u>(12,504)</u>	<u>(15,150)</u>
<b>Profit/(loss) before income tax</b>		<b>66,577</b>	(80,922)
Income tax expense	7	<u>(6,626)</u>	<u>(4,155)</u>
Profit/(loss) for the year	5	<u><b>59,951</b></u>	<u>(85,077)</u>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

		<b>Year ended 31 December</b>	
		<b>2025</b>	2024
	<i>Note</i>	<b>HKD'000</b>	<b>HKD'000</b>
<b>Other comprehensive income/(expense)</b>			
Items that will not be reclassified subsequently to profit or loss:			
Change in the fair value of equity investment at fair value through other comprehensive income		–	(602)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		<u>6,052</u>	<u>(1,715)</u>
<b>Other comprehensive income/(expense) for the year</b>		<u>6,052</u>	<u>(2,317)</u>
<b>Total comprehensive income/(expense) for the year</b>		<u><b>66,003</b></u>	<u><b>(87,394)</b></u>
<b>Profit/(loss) for the year attributable to:</b>			
– Owners of the Company		57,673	(76,891)
– Non-controlling interests		<u>2,278</u>	<u>(8,186)</u>
		<u>59,951</u>	<u>(85,077)</u>
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
– Owners of the Company		63,622	(79,665)
– Non-controlling interests		<u>2,381</u>	<u>(7,729)</u>
		<u>66,003</u>	<u>(87,394)</u>
Earnings/(losses) per share			
Basic and diluted ( <i>HKD</i> )	8	<u><b>0.14</b></u>	<u><b>(0.19)</b></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2025*

		As of 31 December	
		2025	2024
	<i>Notes</i>	<i>HKD'000</i>	<i>HKD'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		99,699	111,388
Right-of-use assets		108,575	208,090
Intangible assets		3,277	3,785
Financial asset at fair value through other comprehensive income		–	–
Deferred tax assets		14,144	10,545
Prepayments		21,265	13,231
Other receivables and deposits		17,568	20,105
		<u>264,528</u>	<u>367,144</u>
<b>Current assets</b>			
Inventories		210,188	252,048
Trade receivables	9	49,637	61,698
Prepayments		18,911	22,317
Amounts due from related parties		6,575	5,840
Other receivables and deposits		27,618	25,313
Pledged bank deposits		18,108	5,556
Term deposits with initial term of over three months		1,312	36,308
Cash and cash equivalents		76,440	46,225
		<u>408,789</u>	<u>455,305</u>
<b>Current liabilities</b>			
Trade and other payables	10	169,130	198,770
Amounts due to related parties		32,129	32,158
Other current liabilities		10,195	7,736
Contract liabilities		6,465	11,558
Lease liabilities		62,840	91,162
Provisions		4,647	5,513
Borrowings		27,102	72,263
		<u>312,508</u>	<u>419,160</u>
Net current assets		<u>96,281</u>	<u>36,145</u>
		<u><u>360,809</u></u>	<u><u>403,289</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (*Continued*)  
*AS AT 31 DECEMBER 2025*

		<b>As of 31 December</b>	
	<i>Note</i>	<b>2025</b>	2024
		<b>HKD'000</b>	<b>HKD'000</b>
<b>Capital and reserves</b>			
Share capital		<b>4,000</b>	4,000
Share premium		<b>859,232</b>	859,232
Reserves		<b>(598,231)</b>	(604,252)
Accumulated losses		<b>(52,231)</b>	(109,832)
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>212,770</b>	149,148
		<hr/>	<hr/>
<b>Non-controlling interests</b>		<b>(15,517)</b>	(17,898)
		<hr/>	<hr/>
<b>Total equity</b>		<b>197,253</b>	131,250
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Amounts due to related parties		<b>65,812</b>	102,563
Other non-current liabilities		<b>11,952</b>	8,515
Lease liabilities		<b>55,584</b>	123,854
Provisions		<b>7,817</b>	12,794
Borrowings		<b>18,252</b>	24,210
Deferred tax liabilities		<b>4,139</b>	103
		<hr/>	<hr/>
		<b>163,556</b>	272,039
		<hr/>	<hr/>
		<b>360,809</b>	403,289
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Forward Fashion (International) Holdings Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 16 May 2019. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company and its subsidiaries (hereinafter collectively refer to as the “**Group**”) are principally engaged in the retail, wholesale, provision of store management service of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands through its multi-brand and multi-store business model in Chinese Mainland, Macau and Hong Kong and catering service in Macau.

The immediate and ultimate holding company of the Company is Gold Star Fashion Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) and is wholly-owned by Mr. Fan Wing Ting (“**Mr. Fan**”), the ultimate controlling shareholder (the “**Controlling Shareholder**”) of the Group.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 13 January 2020.

The consolidated financial statements are presented in Hong Kong dollars (“**HKD**”), which is also the functional currency of the Company.

Other than those subsidiaries established in the Chinese Mainland whose functional currency is Renminbi (“**RMB**”), the functional currency of the remaining subsidiaries is HKD.

### 2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

#### Application of amendments in IFRS Accounting Standards

In the current year, the Group has applied, for the first time, the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) which are effective for the Group’s financial year beginning on 1 January 2025:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendment to the above IFRS Accounting Standards in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>1</sup>
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity <sup>1</sup>
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards– Volume 11 <sup>1</sup>
IFRS 18	Presentation and Disclosure in Financial Statements <sup>2</sup>
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

## **IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and the consequential amendments to other IFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of the IFRS 18 is not expected to have material impact on the financial position of the Group. The directors of the Company are in the process of making an assessment of the impact of IFRS 18, but is not yet in a position to state whether the adoption would have a material impact on the presentation and disclosures of consolidated financial statements of the Group.

Except for the new IFRS Accounting Standards mentioned above, the directors of the Company anticipate that the application of other amendments to IFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

### **3. SEGMENT INFORMATION**

The Group is principally engaged in the retail, wholesale, provision of store management service of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands through its multi-brand and multi-store business model in Chinese Mainland, Macau and Hong Kong and catering service in Macau. The performance of the Group’s retail stores is subject to seasonal fluctuations and certain holiday seasons.

The Group’s business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the executive directors of the Company, being the chief operating decision-maker (“**CODM**”). The CODM considers the business from geographic perspective and assesses the performance of the geographical segments mainly based on segment revenues, segment result, segment assets and segment liabilities.

The revenues from external customers reported to CODM are measured as segment revenues, which are the revenues derived from customers of each segment.

Segment result is equal to revenue from external customers deducted by cost of sales and selling and marketing expenses from each segment.

Non-current assets is presented based on the geographic location of the assets. Non-current assets excluded financial instruments and deferred tax assets.

The segment information for the years ended 31 December 2025 are as follows:

	Year ended 31 December 2025			Total HKD'000
	Chinese Mainland HKD'000	Macau HKD'000	HK and others HKD'000	
Segment revenue	287,848	590,029	41,092	918,969
Inter-segment revenue	(2,393)	(42,058)	(4,343)	(48,794)
Revenue from external customers	<u>285,455</u>	<u>547,971</u>	<u>36,749</u>	<u>870,175</u>
Cost of sales	(176,057)	(254,792)	(25,420)	(456,269)
Selling and marketing expenses	<u>(101,539)</u>	<u>(142,944)</u>	<u>(22,544)</u>	<u>(267,027)</u>
Segment result	<u>7,859</u>	<u>150,235</u>	<u>(11,215)</u>	<u>146,879</u>
General and administrative expenses				(76,055)
Other income and gains – net				8,257
Finance income				529
Finance costs				<u>(13,033)</u>
<b>Finance costs – net</b>				<u>(12,504)</u>
<b>Profit before income tax</b>				<u><u>66,577</u></u>
Depreciation and amortisation	(24,215)	(94,807)	(9,721)	(128,743)
Impairment loss on property, plant and equipment and right-of-use assets	(325)	(12,770)	–	(13,095)
Provision for impairment on inventories	(8,682)	(12,711)	–	(21,393)
Provision for impairment loss on trade and other receivables	<u>(209)</u>	<u>(176)</u>	<u>–</u>	<u>(385)</u>
Segment non-current assets	<u>51,315</u>	<u>187,315</u>	<u>11,754</u>	<u>250,384</u>

	Year ended 31 December 2024			Total HKD'000
	Mainland China HKD'000	Macau HKD'000	HK and others HKD'000	
Segment revenue	396,554	490,901	91,450	978,905
Inter-segment revenue ( <i>note</i> )	(6,843)	(23,697)	(10,050)	(40,590)
Revenue from external customers	<u>389,711</u>	<u>467,204</u>	<u>81,400</u>	<u>938,315</u>
Cost of sales	(234,482)	(223,421)	(59,637)	(517,540)
Selling and marketing expenses	<u>(158,447)</u>	<u>(191,634)</u>	<u>(44,461)</u>	<u>(394,542)</u>
Segment result	<u>(3,218)</u>	<u>52,149</u>	<u>(22,698)</u>	<u>26,233</u>
General and administrative expenses				(93,316)
Other gains – net				1,311
Finance income				1,989
Finance costs				<u>(17,139)</u>
<b>Finance costs – net</b>				<u>(15,150)</u>
<b>Loss before income tax</b>				<u><u>(80,922)</u></u>
Depreciation and amortisation	(36,554)	(93,990)	(16,285)	(146,829)
Impairment losses on property, plant and equipment and right-of-use assets	(2,776)	(5,995)	(5,771)	(14,542)
Reversal of provision for (provision for) impairment of inventories	1,856	(226)	–	1,630
Provision for impairment loss on trade receivables	<u>(193)</u>	<u>(182)</u>	<u>(80)</u>	<u>(455)</u>
Segment non-current assets	<u>34,583</u>	<u>289,849</u>	<u>12,062</u>	<u>336,494</u>

#### 4. REVENUE

##### (a) Disaggregation of revenue by business line and nature

	2025 HKD'000	2024 HKD'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Retail	589,612	724,760
Store management service	238,149	136,312
Catering service	40,916	35,562
Wholesale	<u>1,498</u>	<u>41,681</u>
Total	<u><u>870,175</u></u>	<u><u>938,315</u></u>

(b) Disaggregation of revenue from contracts with customers by timing of revenue recognition

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
At a point in time	632,026	802,003
Overtime	238,149	136,312
	<hr/>	<hr/>
Total	<b>870,175</b>	<b>938,315</b>

5. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging (crediting):

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Directors' emoluments	7,806	7,484
Salaries, allowances and other benefits (excluding directors' emoluments)	122,648	158,607
Contributions to retirement benefits scheme (excluding directors' emoluments)	477	2,573
Other social security costs, housing benefits and other employee benefits (excluding directors' emoluments)	16,836	14,035
	<hr/>	<hr/>
Total staff costs	<b>147,767</b>	<b>182,699</b>
Auditor's remuneration	1,885	1,890
Cost of inventories (included in cost of sales)	410,452	449,866
Provision for impairment loss on right-of-use assets	10,304	9,441
Provision for impairment loss on property, plant and equipment	2,791	5,101
Provision for impairment loss on trade and other receivables	385	455
Provision/(Reversal of provision) for impairment on inventories (included in cost of sales)	21,393	(1,630)
Depreciation of property, plant and equipment	37,437	39,312
Amortisation of intangible assets		
– included in selling and marketing expenses	–	505
– included in administrative expense	754	1,137
Amortisation of prepayments for franchising fee (included in selling and marketing expenses)	4,209	5,640
Depreciation of right-of-use assets	86,343	105,875
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## 6. FINANCE COSTS – NET

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Finance income		
– Interest income	<u>529</u>	<u>1,989</u>
Finance costs		
– Interest on lease liabilities	<u>(6,527)</u>	<u>(8,557)</u>
– Other interests	<u>(6,506)</u>	<u>(8,582)</u>
	<u>(13,033)</u>	<u>(17,139)</u>
Finance costs – net	<u><u>(12,504)</u></u>	<u><u>(15,150)</u></u>

## 7. INCOME TAX EXPENSE

### (a) Income tax expense

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Current income tax		
– Macau	<u>7,096</u>	<u>449</u>
– Chinese Mainland	<u>82</u>	<u>102</u>
	<u>7,178</u>	<u>551</u>
Deferred income tax related to the temporary differences	<u>(552)</u>	<u>3,604</u>
	<u><u>6,626</u></u>	<u><u>4,155</u></u>

## 8. EARNINGS/(LOSSES) PER SHARE

### (a) Basic earnings/(losses) per share

	2025	2024
Profit/(loss) for the year attributable to owners of the Company ( <i>HKD'000</i> )	<u>57,673</u>	<u>(76,891)</u>
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<u>400,000</u>	<u>400,000</u>
Basic earnings/(losses) per share ( <i>HKD</i> ) ( <i>note</i> )	<u><u>0.14</u></u>	<u><u>(0.19)</u></u>

*Note:* Basic earnings/(losses) per share is calculated by dividing the profit/(loss) for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

- (b) The diluted earnings/(losses) per share is same as the basic earnings/(losses) per share as there were no dilutive potential ordinary shares outstanding for both years.

## 9. TRADE RECEIVABLES

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Trade receivables	50,426	62,469
Less: allowance for impairment of trade receivables	<u>(789)</u>	<u>(771)</u>
	<b><u>49,637</u></b>	<b><u>61,698</u></b>

As at 31 December 2025, the gross amount of trade receivables arising from contracts with customers amounting to approximately HKD50,426,000 (2024: HKD62,469,000).

The credit terms of trade receivables granted by the Group are generally 1–3 months (2024: 1–3 months). The ageing analysis of the trade receivables, net of allowance for impairment, based on invoice date as at 31 December 2024 and 2025 is as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Within 3 months	48,363	60,653
Over 3 months and within 6 months	257	818
Over 6 months and within 1 year	<u>1,017</u>	<u>227</u>
	<b><u>49,637</u></b>	<b><u>61,698</u></b>

## 10. TRADE AND OTHER PAYABLES

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
<b>Current</b>		
Trade payables ( <i>note a</i> )	81,991	115,804
Salaries payable	21,640	23,458
Variable lease payable	19,957	17,046
Other taxes payable	13,500	7,742
License fee payable	–	8,359
Operating support fund ( <i>note b</i> )	10,517	10,291
Renovation service fee payables	8,727	7,085
Other payables	<u>12,798</u>	<u>8,985</u>
	<b><u>169,130</u></b>	<b><u>198,770</u></b>

*Notes:*

- (a) Trade payables represent payables for inventories. The ageing analysis of the trade payables based on invoice date is as follows:

	2025 <i>HKD'000</i>	2024 <i>HKD'000</i>
Within 3 months	54,748	79,235
Over 3 months and within 1 year	10,577	13,755
Over 1 year	<u>16,666</u>	<u>22,814</u>
	<b><u>81,991</u></b>	<b><u>115,804</u></b>

The credit terms of the trade payables is up to 3 months (2024: 3 months).

## **11. DIVIDENDS**

No dividends have been paid or declared or proposed by the Company during the year. The board of directors does not recommend any payment of final dividend for the year ended 31 December 2025 (2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

The Group principally engages in the retail of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands in Chinese Mainland, Macau, Hong Kong and Taiwan (collectively, “**Greater China**”). The Group adopts a multi-brand and multi-store business model. As at 31 December 2025, the Group operated 119 self-operated retail stores in Greater China, of which 105 retail stores are mono-brand stores operated under the brand name of the merchandise to cater for the brand’s target customers, 14 retail stores are multi-brand stores that offer a broad assortment of the Group’s selected fashion apparel and lifestyle merchandise from different international brands and the Group’s own brands. In addition to its fashion brands, the Group also operates the Galeries Lafayette store in Macau and runs 3 the American burger chain “Five Guys” stores in Macau. As at 31 December 2025, the Group’s brand portfolio had 248 brands, of which 245 brands were international brands owned by third-party brand owners or their master/authorised licensors.

In 2025, the retail environment in Greater China remained difficult amid ongoing macroeconomic uncertainties and geopolitical tensions. Despite these challenges, the Group returned to profitability through effective cost control measures and business diversification. The Group stayed alert to market changes and made timely adjustments to operations as needed. These efforts helped improve efficiency and strengthen the business.

The Group’s retail sales have dropped with a year-on-year revenue decrease of 7.3% in 2025, out of the total revenue decrease of HKD68.1 million, Macau recorded an increase of HKD80.8 million. On the other hand, Chinese Mainland recorded a decrease in revenue of HKD104.2 million.

Looking ahead, the Group will continue to monitor market developments closely and stands ready to refine its strategy to maintain resilience and respond effectively to future conditions.

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased to HKD870.2 million for 2025 (2024: HKD938.3 million), representing a yoy 7.3% decrease. Mono-brand stores recorded a decrease of 25.3% and multi-brand stores recorded an increase of 2.7% yoy respectively, while the Group's online sales recorded a decrease of 20.3%. Store management services also recorded a growth of 74.8% yoy and wholesale recorded a decrease of 96.4% yoy. The Group's average sales floor area decrease from 32,156 m<sup>2</sup> in 2024 to 28,052 m<sup>2</sup> in 2025, mainly due to the closure of stores in Chinese Mainland.

Breakdown of revenue by sales channels:

	2025		2024		Change (%)
	HKD million	% of revenue	HKD million	% of revenue	
<b>Retail</b>					
Mono-brand stores	387.7	44.6	519.2	55.3	(25.3)
Multi-brand stores	170.4	19.6	166.0	17.7	2.7
Online sales	31.5	3.6	39.5	4.2	(20.3)
	<u>589.6</u>	<u>67.8</u>	<u>724.7</u>	<u>77.2</u>	<u>(18.6)</u>
Store management services	238.2	27.4	136.3	14.5	74.8
Catering services	40.9	4.7	35.6	3.8	14.9
Wholesale	1.5	0.1	41.7	4.5	(96.4)
	<u>1.5</u>	<u>0.1</u>	<u>41.7</u>	<u>4.5</u>	<u>(96.4)</u>
Total	<u>870.2</u>	<u>100</u>	<u>938.3</u>	<u>100.0</u>	<u>(7.3)</u>

Movement of number, floor area and same store growth rate of retail stores:

	No. of retail stores			Sales floor area (m <sup>2</sup> )				No of same stores	Same store growth (%)		
	As at	Open	Close	As at	As at	Open	Close			As at	
	31/12/2024			31/12/2025	31/12/2024					31/12/2025	Average
Macau	26	5	(7)	24	8,448	1,664	(1,458)	8,654	8,550	13	3.5
Chinese Mainland	123	18	(51)	90	21,785	3,529	(9,606)	15,708	18,747	64	(13.5)
HK & others	6	1	(2)	5	1,226	109	(1,052)	283	755	2	(16.0)
	<u>6</u>	<u>1</u>	<u>(2)</u>	<u>5</u>	<u>1,226</u>	<u>109</u>	<u>(1,052)</u>	<u>283</u>	<u>755</u>	<u>2</u>	<u>(16.0)</u>
Total/Overall	<u>155</u>	<u>24</u>	<u>(60)</u>	<u>119</u>	<u>31,459</u>	<u>5,302</u>	<u>(12,116)</u>	<u>24,645</u>	<u>28,052</u>	<u>79</u>	<u>(6.6)</u>

Revenue by geographical areas:

	2025		2024		Change (%)
	HKD million	% of revenue	HKD million	% of revenue	
Macau	548.0	63.0	467.2	49.8	17.3
Chinese Mainland	285.5	32.8	389.7	41.5	(26.7)
HK & others	36.7	4.2	81.4	8.7	(54.9)
Total	<u>870.2</u>	<u>100</u>	<u>938.3</u>	<u>100.0</u>	(7.3)

***Macau***

The revenue generated from Macau for 2025 increased to HKD548.0 million, representing a yoy increased of 17.3%. The Group opened 5 retail stores and closed 7 retail stores in 2025 with a positive same retail store sales growth of 3.5%.

***Chinese Mainland***

The revenue generated from Chinese Mainland recorded HKD285.5 million in 2025, representing a yoy decrease of 26.7%. The Group has streamlined the store portfolio by retaining good performance stores to prevent loss of customers. The number of retail stores decreased to 90 in 2025 comparing with 123 in 2024 and achieved a negative same retail store growth rate of 13.5%. The Group opened 18 retail stores and closed 51 retail stores in 2025 with a decrease in the average floor area of 15.9% yoy.

***Hong Kong and others***

The revenue generated from the sales in Hong Kong and others recorded a yoy decrease of 54.9%. The Group opened 1 retail store and closed 2 retail stores during 2025 with a decrease of average floor area of 626.6 m<sup>2</sup>, representing 46.6% yoy decrease.

**Gross profit**

The Group's cost of sales consisted of cost of inventory sold for the fashion apparel and lifestyle products and the cost of store management services rendered to the brand owners. The cost of sales decreased to HKD456.3 million in 2025, or a yoy decrease of 11.8%, primarily attributable to the decrease in sales.

The gross profit in 2025 decreased by HKD6.9 million, or a yoy decrease of 1.6%, to HKD413.9 million and the gross profit margin increased from 44.8% in 2024 to 47.6% in 2025. Among the Greater China areas, the gross profit margin of sales in Macau in 2025 recorded an increase of 132 basis points to 53.5% due to the lower discount offered. The gross profit margins of sales in Chinese Mainland recorded a decrease of 151 basis points in 2025 resulting from the higher average discount rate offered. The gross profit margin of sales in Hong Kong and Taiwan recorded an increase of 409 basis points in 2025 due to Hong Kong ceasing its low-margin wholesale business.

### **Other income and gains, net**

The Group recorded net other gain of HKD8.3 million in 2025, compared with net other gains of HKD1.3 million in 2024, primarily due to an net gains on the early termination of right-of-use assets and lease liabilities of HKD13.8 million and offset by net exchange losses of HKD5.8 million.

### **Operating expenses**

Selling and marketing expenses decreased to HKD267.0 million in 2025, or a 32.3% yoy decrease, primarily due to a decrease in depreciation and amortisation of HKD68.1 million and a decrease in variable lease expenses of HKD9.6 million and a decrease in staff costs expenses of HKD24.4 million.

General and administrative expenses decreased to HKD76.1 million in 2025, or a yoy decrease of 18.5%, primarily due to a decrease in staff costs expenses of HKD11.1 million.

### **Finance costs**

Net finance costs decreased to HK12.5 million in 2025, or a yoy decrease of 17.5%. The decrease was mainly due to an decrease of interest on lease liabilities of HKD2.0 million and the lower interest expenses on borrowing of HKD2.1 million.

### **Income tax expenses**

There were income tax expenses of HKD6.6 million (2024: HKD4.2 million).

### **Profit for the year**

The Group recorded a net profit of HKD60.0 million for 2025 comparing with a net loss of HKD85.1 million in 2024.

## **SEASONALITY**

The Group's sales performance is subject to seasonal fluctuations and it normally generates higher revenue during winter season than summer season as winter apparel generally has a higher unit price than summer apparel. The Group records higher revenue in festive seasons such as Christmas and the month before Chinese New Year and the traditional peak season in Mainland China long holidays. Normally revenue recorded in the first half and the second half of the year are of equal weighting as they have similar festivals and holidays.

## **FINANCIAL**

### **Working capital structure**

The Group's net current assets amounted to HKD96.3 million as at 31 December 2025, representing an increase of HKD60.1 million from that for 31 December 2024. Such increase was primarily the result of a decrease in current liabilities of HKD106.7 million mainly resulting from a decrease in the borrowings and trade and other payables of HKD51.1 million and HKD29.6 million respectively.

### **Liquidity and financial management**

The Group strives to maintain a healthy financial position and liquidity for its normal operation, development needs and ad hoc events. As at 31 December 2025, the cash and cash equivalents were HKD76.4 million, representing an increase of HKD30.2 million comparing with those of 31 December 2024, details are as follows:

The Group's current ratio (calculated as total current assets divided by total current liabilities) was 1.3 times as at 31 December 2025, compared to that of 1.1 times as at 31 December 2024. The current ratio is improved mainly attributable to the fact that the decrease in current assets was smaller than the decrease in current liabilities.

The gearing ratio of the Group, which is calculated as net debt divided by total capital, was 44% as at 31 December 2025 compared to that of 74% as at 31 December 2024.

## **Pledge of assets**

As at 31 December 2025, a building with net book value of HKD54.7 million, and pledged bank deposits of HKD18.1 million were pledged for a first mortgage, credit loans and credit facilities of bank borrowings, respectively.

## **CAPITAL COMMITMENT**

The Group had no material capital commitment contracted, but not provided for as at 31 December 2025 (2024: Nil).

## **CONTINGENT LIABILITIES**

As of 31 December 2024 and 2025, the Group did not have any material contingent liabilities.

## **FOREIGN EXCHANGE RISK MANAGEMENT**

Merchandise purchased by the Group is mainly denominated in Euros, United States Dollars (USD) and Renminbi (RMB) whereas the retail operation is mainly exposed to RMB, Macanese pataca (MOP), New Taiwan Dollars (TWD) and Hong Kong Dollars (HKD). However, the Group did not expect foreign currency fluctuations to materially impact its operation. The Group did not hedge foreign exchange fluctuation by forward contracts. The Group managed the foreign exchange risk by reviewing its net foreign exchange exposures regularly and endeavored to shrink these exposures through reviewing the exchange rates with the suppliers, the brand owners periodically.

## **OUTLOOK**

Amid ongoing macroeconomic headwinds, the Group remains prudent and highly disciplined in evaluating new opportunities and allocating capital. We are committed to pursuing initiatives that strictly align with our core strategy and offer sustainable, long-term potential.

Moving forward, our focus remains on fortifying our market position and generating sustainable returns for our shareholders. By remaining agile and responsive to evolving market conditions, we are fully committed to driving resilient, long-term growth.

## **USE OF PROCEEDS FROM THE LISTING**

The shares of the Company (the “**Shares**”) were listed on the The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 13 January 2020 (the “**Listing Date**”) and the net proceeds from the global offering of its Shares (the “**Global Offering**”) amounted to HKD140.0 million (the “**Net Proceeds**”).

As of 31 December 2025, the Company has used approximately 97.6% of the proceeds from the Global Offering and the net proceeds have been utilised in line with those set out in the section headed “Future Plans and Use of Proceeds” in the prospectus of the Company dated 30 December 2019 (the “**Prospectus**”).

The following sets forth a summary of the utilisation of the net proceeds from the Global Offering as of 31 December 2025:

	Percentage to total amount %	Planned use of the Net Proceeds <i>HKD million</i>	Utilised amount up to 31 December 2025 <i>HKD million</i>	Unutilised balance as at 31 December 2025 <i>HKD million</i>	Expected timeline for unutilised Net Proceeds
Expand the Group’s retail stores	50.3	70.4	70.4	–	
Upgrade the Group’s existing retail stores	9.2	12.9	12.9	–	
Explore new brands	24.0	33.6	30.2	3.4	On or before 31 December 2026
Set up and implement Centralised Retail Management System	10.8	15.1	15.1	–	
Strengthen the Group’s online sales	5.7	8.0	8.0	–	
	<u>100.0</u>	<u>140.0</u>	<u>136.6</u>	<u>3.4</u>	

It was disclosed in the Prospectus that the net proceeds will be applied by the Group in an expected timetable ending 31 December 2021. However, as a result of the outbreak of the COVID-19 Pandemic and its adverse impact on the global economy which includes the apparel retail market in Greater China, the Company has proposed to adjust the estimated time of using the unutilised net proceeds by extending to on or before 31 December 2025 in order to enhance flexibility for the future development of the Group. The expected timeline for using the unutilised amount of the Net Proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) in respect of material change in the expected timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its Shareholders and potential investors.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

There is no major acquisition or disposal in 2025.

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group adopts a competitive emolument policy to attract, retain and motivate high quality individuals. Remuneration packages are reviewed regularly to reflect the market practice and employees' performance. As at 31 December 2025, the Group employed around 954 employees (31 December 2024: 1,138). The total staff costs for 2025 were HKD147.8 million (2024: HKD182.7 million), a yoy decrease of 19.1%.

## **EVENTS AFTER THE REPORTING PERIOD**

Up to the date of this announcement, the Directors are not aware of any significant events related to the business or financial performance of the Group after the reporting period.

## **OTHER INFORMATION**

### **Scope of work of SHINEWING (HK) CPA Limited (“SHINEWING”)**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by SHINEWING, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on the preliminary announcement.

### **Dividend**

The board of the Company (the “**Board**”) does not recommend the declaration of a final dividend for the year ended 31 December 2025 (2025 interim dividend (in lieu of a final dividend): Nil).

### **Purchase, sale and redemption of listed securities**

During the year ended 31 December 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

## Disclosure of interests

### *Interests and short positions of directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations*

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”)) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix 10 of the Listing Rules were as follows:

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Number of Shares held/ interested</b>	<b>Approximately percentage of shareholding in the Company</b>
Mr. Fan Wing Ting (“ <b>Mr. Fan</b> ”) ( <i>Note 1</i> )	Interest in controlled corporation	300,000,000	75%

*Note:*

1. Mr. Fan owns the entire issued share capital of Gold Star Fashion Limited and he is deemed to be interested in the 300,000,000 Shares held by Gold Star Fashion Limited by virtue of the SFO.

### ***Interests and short positions of substantial shareholders in the shares and underlying shares of the Company***

So far as the Directors and chief executive of the Company are aware, as at 31 December 2025, the following shareholders of the Company (other than the interests of the Directors and the chief executives of the Company) had interests in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

<b>Shareholders</b>	<b>Capacity/ Nature of interest</b>	<b>Number of Shares held/ interested</b>	<b>Approximately percentage of shareholding in the Company</b>
Gold Star Fashion Limited ( <i>Note 1</i> )	Beneficial owner	300,000,000	75%
Ms. Cheng King Ling ( <i>Note 2</i> )	Interest of spouse	300,000,000	75%

*Notes:*

1. Mr. Fan owns the entire issued share capital of Gold Star Fashion Limited.
2. Ms. Cheng King Ling is the spouse of Mr. Fan. Therefore, she is deemed to be interested in all the Shares in which Mr. Fan has interest in under the SFO.

### **Model code for securities transactions by directors**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix C3 of the Listing Rules. The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2025.

### **Arrangements to purchase shares or debentures**

During the year ended 31 December 2025, neither the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## **Competing interest**

For the year ended 31 December 2025, Mr. Fan Wing Ting and Ms. Chen Xingyi held share interests and/or directorships in companies engage in fashion retail in China, further details of which are set out in the section headed “Directors’ Interests in Competing Business” of the 2025 annual report which will be published at the websites of the Company and the Stock Exchange in due course. Save as disclosed herein, the Directors are not aware of any business or interest of the Directors, the Controlling Shareholders, the management, the shareholders and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest.

## **Corporate Governance Code**

The Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company so as to achieve effective accountability.

The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the Listing Rules issued by Stock Exchange.

The Company had complied with the code provisions in the CG Code for the year ended 31 December 2025. The Company is committed to the objective that the Board should include a balanced composition of Executive Directors and Independent Non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgement.

## **Audit Committee**

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted, discussed risk management and internal controls and financial reporting matters including a general review of the audited financial results for the year ended 31 December 2025.

By Order of the Board  
**Forward Fashion (International) Holdings Company Limited**  
**Fan Wing Ting**  
*Chairman*

Hong Kong, 31 March 2026

*As at the date of this announcement, the Board comprises Mr. Fan Wing Ting, Ms. Chen Xingyi, Mr. Kevin Trantallis, Mr. Fong Yat Ming and Ms. Fan Tammy as the Executive Directors; and Mr. Yu Chun Kau, Mr. Ng Kam Tsun and Mr. Sze Irons as the Independent Non-executive Directors.*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*