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Giordano Announces 2025 Unaudited Interim Results

Giordano Revenue Up 1.6%, E-Commerce Achieves Strong Growth of 26.1%

Greater China Sees 9.5% Sales Increase, Hong Kong and Macau Rebound in Q2

*2025 business on track in year of reset as outlined in “Beyond Boundaries” 5-year strategy
Introducing new label GC (Giordano Concepts), evolved positioning of Giordano Ladies, and
new brand ambassador Roh Jeong Eui*

- The Group reported 1.6% **revenue growth** in 1H 2025, mainly driven by the strong performance of the Group’s online business.
- Ongoing digital transformation and customer-focused initiatives have driven sustained engagement and sales growth. The Group’s overall **e-commerce business** posted a strong 26.1% year-on-year increase, with Q2 growth accelerating to 32.3%.
- **Greater China** delivered an outstanding 9.5% revenue increase, while the **Gulf Cooperation Council** markets continued to perform steadily with 1.7% growth. **Southeast Asia e-commerce business recorded an encouraging 4.8% growth.**
- Gross margin declined by 3.3 percentage points to 55.6%, but primarily due to a higher proportion of online sales and wholesale, inventory clearance efforts, and increased merchandise costs.
- **Sales in Hong Kong and Macau turned around** in Q2, recording 2.2% growth (Q1: -6.5%) due to the successful launch of collections such as the “Minions Collection”.
- Inventory turnover on cost (ITOC) improved significantly, decreasing by 11 days to 108 days (2024: 119 days), reflecting effective inventory management.
- **Net profit attributable to the shareholders of the Company (“PATs”) increased by 0.8% to HK\$121 million** (2024: HK\$120 million).
- The Group’s net cash balance was HK\$722 million as of June 30, 2025 (2024: HK\$720 million). The **overall financial health remains robust.**
- Basic earnings per share were 7.5 HK cents (2024: 7.4 HK cents).

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(HKEx Stock Code: 00709)

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- The Board of Directors has declared an interim dividend of 7.5 HK cents per share, representing a payout ratio of **100%**, maintaining the same ratio as the last dividend payout.
- 2025 is slated as a year of reset under the “Beyond Boundaries” 5-year strategy. In the second half of 2025, the Group will focus on executing its four strategic choices; namely, 1) Revitalising our **Brand Portfolio**; 2) Strengthening the **Digital-First** strategy; 3) Winning in **Greater China**; and 4) Advancing with **One Giordano**.
- Notable 2H highlights include the launch of Giordano’s new label, “GC” (Giordano Concepts); the evolved brand positioning of Giordano Ladies, and the introduction of Giordano’s new brand ambassador, Korean actress Roh Jeong Eui, to further connect with next-gen consumers.

(29 August, 2025 - Hong Kong) Giordano International Limited (“Giordano”, the “Group” or the “Company”; SEHK stock code: 0709), today announces its unaudited interim results for the six months ended 30 June 2025 (“1H2025”).

The Group achieved a notable 1.6% increase in total revenue for the first half of 2025 in spite of macro-economic challenges, driven by the strong performance of the online business, which achieved 26.1% year-on-year growth, and the significant improvement of the wholesale and franchise businesses. Notably, the Group’s same-store sales rose by 1.1%, further underscoring the effectiveness of the operational strategies and customer engagement initiatives.

Profit after income taxes attributable to shareholders of the Company (“PATs”) reached HK\$121 million for the period, as compared to HK\$120 million in 2024, reflecting a year-on-year performance increase of 0.8%.

Moreover, the Group’s inventory turnover on cost (ITOC) improved significantly, decreasing from 119 days in 2024 to 108 days. This notable reduction highlights the Company’s commitment to more effective inventory management and strategic price promotions, resulting in a healthier and more relevant product mix for customers moving forward.

Mainland China Recorded Robust Online Sales and Improved Same-Store Sales Performance (Figures at Constant Exchange Rates)

Total revenue in Mainland China increased by 13.0%, with sales momentum accelerating throughout the period. Q2 saw almost 18.0% growth, significantly surpassing the 8.0% growth

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achieved in Q1. This rebound was fueled primarily by the outstanding performance of the online business, which achieved a remarkable year-on-year growth of approximately 30.0%.

The offline business showed signs of progress and renewed momentum as it executed the Mainland China reset plan, including optimising store count and focusing on southern China. Same-store sales achieved a notable turnaround by maintaining flat in Q2, a significant improvement from the 3.6% decline recorded in Q1.

Gross profit margin also increased by 12 percentage points quarter-on-quarter, reflecting the Group's focus on not only driving growth, but also profitability.

Hong Kong Saw Turnaround Through Customer Engagement, Storytelling, and Retail Excellence (Figures at Constant Exchange Rates)

Revenue in Hong Kong and Macau swung from a decline of 6.5% in Q1 to a positive growth of 2.2% in Q2, outperforming the negative overall retail sales in Hong Kong's wearing apparel sector, as reported by the HKSAR Government. This early positive outcome reflects the initial impact of the Group's "Beyond Boundaries" 5-year strategy — supported by stronger brand storytelling, improved product design and quality, and a continued focus on retail execution. As a result, the year-on-year revenue only recorded a modest decrease of 2.2% in 1H2025.

The Group is cautiously optimistic about the continued recovery and growth prospects of Hong Kong, our home market. The upcoming launch of new merchandise collections, including the expansion of the popular Korea Collection, will continue to showcase our enhanced storytelling capabilities and retail excellence. These efforts are expected to further strengthen our connection with consumers, drive improved sales and margins, and support sustained success.

GCC Delivered Steady Results; SEA Recorded Positive Online Sales Growth (Figures at Constant Exchange Rates)

Despite ongoing geopolitical tensions in the GCC markets' neighbouring regions, our business achieved a positive revenue growth of 1.9% year-on-year and maintained steady profitability. This stable performance, even in a volatile environment, was largely driven by improved product availability and the successful execution of targeted marketing campaigns that resonated with local consumers.

Revenue in Southeast Asia and Australia declined by 8.0%, largely attributable to the weak performance of the Indonesian market. Encouragingly, and in line with the Group's "Digital-First" strategy, the e-commerce channel in Southeast Asia achieved a 4.8% year-on-year growth in the period under review.

Commenting on the interim results, **Mr. Colin Currie, Chief Executive Officer of Giordano International Limited**, said, "*It has been a year since we announced our 'Beyond Boundaries' 5-year strategy. Since then, we have successfully executed a series of 'Quick Win' initiatives to lay*

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a strong foundation for 2025 and beyond. In ‘Beyond Boundaries’, 2025 is slated for a year of reset: a year focused on strengthening our ‘Digital-First’ strategy, simplifying our brand portfolio, and ‘Winning in Greater China’. I’m pleased to share that we are on track with all these priorities as we continue striving to become a growth company once again”.

“In Mainland China, our “must-win” battlefield market, we have seen strong momentum in our online business, driven by a reset in strategy and renewed focus on southern China, where our brand is better recognised. In Hong Kong, our new collections and pop-up stores in Central and Festival Walk have been met with a very positive response”.

“While we are encouraged by these results, we continue to reflect and recalibrate areas that need to be improved, particularly in protecting our gross margin. We are actively reviewing our processes and enhancing sourcing efficiency to support better performance”.

Progress and 2025 Priorities: 5-Year Strategy - “Beyond Boundaries”

The Group announced its “Beyond Boundaries” 5-year strategy in August 2024 with a clear roadmap to create sustainable growth for Giordano from 2025 onwards. It focuses on four strategic choices that will **reset** fundamentals, **revitalise** brand portfolio, **recalibrate** channels to a digital-first model, and **reconnect** with consumers through great products and compelling storytelling, enhancing their overall experiences.

1. Brand Revitalisation: GC (Giordano Concepts), Giordano Ladies and New Brand Ambassador

As part of the plan to revitalise our brand portfolio, the Group will launch a new label firstly online in Mainland China: GC (Giordano Concepts), positioned primarily toward female consumers. Using the abbreviated “GC” mark, the brand will be introduced in September 2025, targeting digitally savvy women aged 20 to 35, who seek trend-forward fashion at accessible prices without compromising on quality.

At the same time, the Group will evolve *Giordano Ladies*, evolving the label toward a “*premium elegance*” positioning, and focusing on contemporary and relaxed business-casual attire. This answers to the shift in work modes, the influence of younger generations in the workforce and the greater emphasis on comfort and individuality among young female consumers.

In addition, the Group is pleased to introduce South Korean actress, Roh Jeong Eui, as Giordano’s new brand ambassador. Best known for her magnetic screen presence in “Badland Hunters” and “Hierarchy” on Netflix, Roh has risen as a bold and authentic artist, and a global style icon. As the new face of Giordano, Roh will feature in the highly-anticipated Fall/Winter 2025

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and Spring/Summer 2026 Womenswear and Korea Collection campaigns for the Greater China and Asia Pacific regions. Roh's appointment marks a pivotal step in Giordano's evolution as a modern, customer-centric brand. It also highlights the Group's vision to foster deeper connections with both new and existing customers through great storytelling and collaborations.

2. Digital-First: Enhancing the Omnichannel Ecosystem for a Seamless, Engaging Shopping Experience

'*Digital First*' is the second strategic choice of our "*Beyond Boundaries*" 5-year strategy. In 2025, the Group continues to accelerate its digital journey to better meet customer expectations. This includes launching Giordano Ladies on e-commerce platforms in Mainland China in July, online product offerings with collections like Giordano Ladies and Korea Collection, and launching GC (Giordano Concepts) to build a vibrant, fashion-forward digital community. Across operations, the Group has adopted digital tools—from AI-powered demand forecasting to personalised marketing—to create a seamless omnichannel experience that makes shopping with Giordano simple, engaging, and memorable.

3. Two-Pronged Strategy for Mainland China Reset

Our third strategic choice is '*Winning in Greater China*'. During the first half of 2025, our reset plan for Mainland China adopted a two-pronged strategy:

1. Accelerating the e-commerce business through focusing on developing fashionable, high-quality products at affordable prices for consumers on popular platforms such as Tmall and Douyin. This approach has driven positive growth alongside improved margins; and
2. Resetting our physical retail business and reorganising our business model into a channel-based structure, focusing on directly operated and franchise stores nationwide. By strategically reducing the number of unprofitable stores and those in less desirable locations, the Group will focus its efforts on southern China, where its footprint and brand are strongest, and begin investing in brand development.

4. Reshaping Organisational Structure as "One Giordano" to be Future-Ready

At Giordano, transformation is about cultivating a culture of agility, collaboration and continuous learning. Under the new management, our new organisational structure aims to empower cross-functional teams, accelerate decision-making, and enable us to respond quickly to new opportunities.

The back-end operations will be streamlined, restructuring supply chain and sourcing functions for greater efficiency. In 2025, a key focus is professionalising sourcing workflows to drive cross-functional planning and improve product pricing. At the same time, we continue to invest in our people through targeted training and a culture that rewards creativity and adaptability.

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On the future plan and outlook, Mr. Currie continues, “2025 is about planting the seeds, investing in the systems, capabilities, and culture that will enable Giordano to thrive for years to come. Our strong financial position allows us to make these strategic investments with confidence, balancing short-term returns with long-term growth. Together, with clarity, focus, and passion, we’re ready to go beyond boundaries and shape Giordano’s next chapter.”

Giordano Korea Collection: <https://we.tl/t-tBORdhHGpF>

Giordano GC Collection: <https://we.tl/t-A2bFgVbhc2>

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About Giordano

Giordano is an international apparel retailer with a portfolio of brands, including Giordano, with its men’s, women’s and children’s wear divisions, Giordano Ladies, Beau Monde, and other owned and licensed brands. Established in 1981, GIORDANO now has nearly 1,700 stores in over 30 countries around the world. Giordano is listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 0709).

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