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# Giordano Announces 2026 Unaudited Interim Results

## Giordano's Gross Profit Rises 1.7% with E-commerce Sales Up 12.5%
## Stable 1H Revenue Despite Challenges in the Middle East, the Group's Largest Market

## Recommends Interim Dividend Payout Ratio of 100%

Set to advance Giordano 2.0 rollout in Hong Kong and Singapore while expanding e-commerce to North America, Europe and India

- The Group reported a resilient 1H 2026 performance with HK$1.914 billion in revenue despite a challenging macro backdrop and geopolitical uncertainty, particularly in the Gulf Cooperation Council ("GCC") markets. This represents a modest 1.0% year-on-year decline.

- Excluding the GCC, the underlying Group revenue increased by 0.4% year-on-year, demonstrating the resilience across the Group's core markets and the effectiveness of its commercial execution.

- Gross profit margin continued to improve, reaching 57.2%, up 1.6 percentage points.

- Greater China retail operations achieved a promising 4.2% retail revenue increase in the first half of 2026, with the Taiwan market seeing a clear turnaround with a 6.4% increase in sales.

- Southeast Asia's revenue continued to see improvements, with Thailand (+8.7%), Singapore (+8.4%) and Vietnam (+6.7%) being the strongest-performing markets.

- Improvements were also recorded in the Group's e-commerce business, which increased by 14.2% in sales for the core Giordano brands in the first half of 2026, reflecting the successful execution of the Group's "Digital-First" strategy. The GCC and Mainland China, in particular, grew by 33.3% YOY and 11.9% YOY, respectively.

- Net profit attributable to shareholders ("PATS") was HK$108 million. The Group's solid progress in many parts of the business was offset by underperformance in the GCC markets, which have faced headwinds since March due to the ongoing Middle East conflict. Had the affected segments delivered profitability comparable to 2025, PATS would have been HK$120 million, highlighting the underlying resilience of the Group's operations.

- The Group's inventory balance ended at HK$580 million (2025: HK$513 million), with inventory turnover at cost (ITOC) at 128 days (2025: 108 days). This reflects a planned and intentional risk-management decision to ship earlier to most markets to mitigate potential logistics disruptions amid volatility in the Middle East. Higher inventory levels also reflected tighter import requirements in Indonesia, which led the Group to divert some originally planned orders to other geographies.

- The Group's net cash balance was HK$650 million as of June 30, 2026 (2025: HK$722 million). This was attributable to the planned build-up of inventory ahead of second-half trading. The Group remains in a strong net cash and liquidity position to fund strategic growth.

- The Board of Directors has declared an interim dividend of 6.7 HK cents per share, representing a payout ratio of 100%, maintaining the same ratio as the 2025 interim dividend payout.

- Basic earnings per share were 6.7 HK cents (1H2025: 7.5 HK cents).

- The Group's premium womenswear line, Giordano Ladies, achieved a 5% growth in Hong Kong in the first half, and it entered a new era with the successful relaunch of the "gl" brand and flagship store in Central, Hong Kong in April. The brand has evolved from its roots in smart office dressing towards a modern, relaxed business casual aesthetic—Giordano's interpretation of "premium elegance".

- 2026 is the **second year of Giordano's "Beyond Boundaries" five-year strategic plan**. It is the year for the Group to recalibrate and revitalise its business operations by building competencies and capabilities across the four strategic choices it has made to transform itself into a growth company. As part of the strategy, the core Giordano brand will be relaunched in Q4 2026 through the rollout of the new **Giordano 2.0** store concept in Hong Kong and Singapore, alongside the relaunch of a proprietary site.

- Amidst this transformation journey, the Group plans to launch its Giordano 2.0 programme in new markets in Q4 2026, such as North America and Europe, through a "Digital-First" strategy. Giordano is also set to relaunch in India towards the end of 2026, focusing on a digital-led expansion to capture rising e-commerce penetration.

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GIORDANO

(26 August, 2026 - 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 2026 ("1H2026").

**Resilient Group Performance Amid GCC Headwinds**

The Group delivered a resilient first-half performance, with encouraging progress across much of the portfolio despite a challenging external backdrop. Excluding the Gulf Cooperation Council ("GCC"), same-store sales increased by 1.6%, reflecting the effectiveness of the Group's merchandising, pricing and customer engagement initiatives across its markets. Greater China also recorded promising growth, supported by continued expansion in Mainland China's online business and a clear turnaround in the Taiwan market.

Against this backdrop, the Group's largest market by profit contribution, the GCC, was negatively affected by the ongoing conflict in the Middle East. Although the GCC represented around 44% of the Group's PATS in 1H2026, the resulting impact on overall Group profit was limited to around 10%, underscoring the resilience and adaptability of the Group's business model and its ability to respond quickly to macro conditions while protecting long-term channel health. As a result, Group same-store sales declined by a modest 0.9% overall, mainly due to the GCC's underperformance.

**Online Sales Maintain Momentum with Further Penetration Potential**

Online sales continued to outperform, increasing 12.5% in the first half of 2026. This strong momentum reflects the success of the Group's "Digital-First" strategy, with Mainland China online sales increasing by 11.9% year-on-year. The Group's e-commerce business across the rest of the world also delivered encouraging results and would have recorded an even stronger increase of 14.8% (if excluding Mainland China) in which our core brands grew by 24.5%. Nonetheless, the Group's online penetration remains below industry benchmarks in most markets, providing significant headroom for further growth. Offline sales declined by 1.8%, reflecting the impact of the GCC and the physical network reset in Mainland China; excluding the GCC, offline revenue would have increased 0.7%.

**Operational Discipline Drives Margin Expansion**

Gross profit margin continued its upward trajectory from the second half of 2025, reflecting the quality of the Group's growth and disciplined execution. In 1H2026, the Group's gross profit margin expanded by 1.6 percentage points year-on-year to 57.2% (1H2025: 55.6%). Excluding the impact of the GCC, gross profit dollars would have increased by 5.8%, supported by a favourable channel mix, structured pricing framework, and stronger sourcing execution.

Looking ahead, the Group will continue to enhance its margin through a series of initiatives expected to provide a solid foundation for sustained margin improvement over the remainder of the year.

Commenting on the interim results, **Mr. Colin Currie, Chief Executive Officer of Giordano International Limited**, said, "*Entering the second year of our five-year "Beyond Boundaries" strategic plan, the Group has continued to navigate a challenging external environment. Despite these headwinds, the underlying business has remained resilient, reflecting the operational discipline and our ability to respond quickly to changing conditions and manage risks effectively. I'm also delighted to see the success of the Giordano Ladies rebrand, which has delivered strong growth and reinforced the value of a clear and compelling brand proposition. Building on that momentum, we are now preparing to launch Giordano 2.0, the next stage in the revitalisation of our core brand, as we sharpen our customer proposition, introduce upgraded store concepts and strengthen the way Giordano is presented across markets.*

*Meanwhile, our "Digital First" strategy and "Winning in Greater China" continued to deliver results, with Mainland China's online business responding to changing consumer preferences while maintaining margin discipline. These results reinforce our confidence in the "Beyond Boundaries" strategy and our ability to deliver sustainable, profitable growth*".

**Introducing the Giordano 2.0 Programme and Brand Revitalisation to Drive Further Growth**

The Group successfully rebranded Giordano Ladies in April, injecting new growth momentum and delivering 5% growth in Hong Kong in the first half, with positive customer feedback, including strong engagement from existing customers and a younger female audience. Building on this momentum, the Group plans to accelerate the rebrand in Hong Kong and extend the approach to additional markets, including Manson House in Tsim Sha Tsui in the second quarter of 2027.

Starting from Q4 2026, it will also introduce Giordano 2.0, a brand revitalisation programme that will see a significant upgrade in store concepts, consumer experiences, product offerings and retail locations. Giordano 2.0 will further strengthen the Giordano core brand's proposition around quality, value and everyday design, with a focus on becoming the best everyday essentials provider. As part of the programme, Giordano will launch a new proprietary website in Hong Kong and Singapore in Q4, followed by further market rollouts in 2027.

**"Digital-First" Expansion into New Markets in Q4 2026**

The Group will leverage the Giordano 2.0 programme to expand its digital footprint into new markets in North America and Europe towards the end of 2026. The Group believes its product positioning, quality and value proposition will resonate with consumers in these markets, providing an attractive opportunity to build a presence with a capital-light approach. In addition, the Group is also making progress on relaunching the Giordano brand in India, where it sees significant potential, particularly through digital e-commerce.

**Mr. Currie** continues, *"While we remain prudent in navigating ongoing macroeconomic and geopolitical uncertainties, the clarity of our strategy, the early positive results from our brand revitalisation and the resilience of our operating model give us confidence in the road ahead. We remain focused on improving sales quality, expanding margins and generating robust cash flow in the second half of 2026 and beyond."*

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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 around 1,500 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).