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EMBRY HOLDINGS LIMITED
安莉芳控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1388)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS AND OPERATION HIGHLIGHTS

- Revenue was approximately HK$604.5 million
- Gross profit was approximately HK$442.3 million
- Affected by non-recurring, unrealised, and non-cash items, including, among others, the decrease in the fair value of investment properties in Chinese Mainland and Hong Kong, impairment of other asset in Shenzhen, and provisions for impairment of right-of-use assets in retail stores and counters, totalling approximately HK$22.1 million, the Company recorded a loss attributable to owners of approximately HK$58.0 million
- Use of celebrity endorsements to achieve brand exposure effectively boosting ***EMBRY FORM***’s sales
- Focusing on strengthening the operations of e-commerce platforms, the overall e-commerce sales increased by 7.6% year on year to HK$236.8 million

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The board of directors (the “Board” or “Directors”) of Embry Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2025 together with the unaudited comparative figures for the corresponding period in 2024 and the relevant explanatory notes as set out below. The condensed consolidated results are unaudited, but have been reviewed by the audit committee and the external auditor of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June 2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
REVENUE	2	604,528	631,392
Cost of sales		(162,219)	(153,068)
Gross profit		442,309	478,324
Other income and gains, net	3	16,823	9,824
Selling and distribution expenses		(408,005)	(422,004)
Administrative expenses		(75,265)	(80,196)
Changes in fair value of investment properties		(14,349)	(43,674)
Impairment of Other Asset		(5,484)	(22,065)
Impairment of right-of-use assets		(2,162)	(8,737)
Other expenses	4	(486)	(1,495)
Finance costs	5	(7,538)	(9,246)
LOSS BEFORE TAX	6	(54,157)	(99,269)
Income tax credit/(charge)	7	(3,802)	17,034
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(57,959)	(82,235)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
- Basic (HK cents)		(13.72)	(19.47)
- Diluted (HK cents)		(13.72)	(19.47)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June 2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
LOSS FOR THE PERIOD	(57,959)	(82,235)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to the income statement in subsequent periods:		
Exchange differences arising on translation of foreign operations	59,132	(45,817)
Other comprehensive income/(expense) that will not be reclassified to the income statement in subsequent periods:		
Revaluation surplus	4,915	3,341
Deferred tax debited to asset revaluation reserve	(1,230)	(835)
Net other comprehensive income that will not be reclassified to the income statement in subsequent periods	3,685	2,506
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF TAX	62,817	(43,311)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	4,858	(125,546)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2025

	Notes	30 June 2025 HK$'000 (unaudited)	31 December 2024 HK$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	615,902	617,954
Investment properties		487,590	473,225
Right-of-use assets		113,387	108,035
Other Asset		348,352	342,660
Deferred tax assets		74,356	74,169
Deposits and other receivables		13,340	17,982
Interests in associate		297	-
Total non-current assets		1,653,224	1,634,025
CURRENT ASSETS			
Inventories		469,232	477,441
Trade receivables	10	61,725	38,015
Prepayments, deposits and other receivables		59,180	52,030
Tax recoverable		424	266
Cash and cash equivalents		212,742	163,434
Total current assets		803,303	731,186
CURRENT LIABILITIES			
Trade and bills payable	11	37,025	39,020
Interest-bearing bank and other borrowings		209,780	213,905
Lease liabilities		26,500	28,011
Other payables and accruals		140,648	134,762
Total current liabilities		413,953	415,698
NET CURRENT ASSETS		389,350	315,488
TOTAL ASSETS LESS CURRENT LIABILITIES		2,042,574	1,949,513
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		192,781	109,348
Lease liabilities		11,729	12,170
Deferred tax liabilities		108,400	103,189
Other payables		2,254	2,254
Total non-current liabilities		315,164	226,961
NET ASSETS		1,727,410	1,722,552
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,224	4,224
Reserves		1,723,186	1,718,328
TOTAL EQUITY		1,727,410	1,722,552

NOTES

1.1 BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standards ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The condensed consolidated financial statements have been prepared under the historical cost convention, except for the investment properties which have been measured at fair value.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	*Lack of Exchangeability*

The adoption of the above amended standard has no material impact on the results and financial position for the account or prior accounting periods which have been prepared and presented.

NOTES (continued)

2. REVENUE AND SEGMENT INFORMATION

An analysis of revenue is as follows:

	Six months ended 30 June 2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Revenue from contracts with customers		
Sales of goods	604,528	631,392

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June 2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Geographical markets		
Mainland China	582,494	611,286
Hong Kong	14,800	17,581
Others	7,234	2,525
Total revenue from contracts with customers	604,528	631,392

3. OTHER INCOME AND GAINS, NET

	Six months ended 30 June 2025 HK$'000 (unaudited)	2024 HK$'000 (unaudited)
Other income		
Subsidy income*	2,469	207
Gross rental income from investment properties operating leases:		
Other lease payments, including fixed payments	7,991	7,964
Variable lease payments that do not depend on an index or a rate	285	312
Bank interest income	970	1,415
Gain/(loss) on termination of leases	(22)	66
Others	2,627	4,558
Subtotal	14,320	14,522
Gains/(losses), net		
Foreign exchange differences, net	2,503	(4,698)
Total	16,823	9,824

* There are no unfulfilled conditions or contingencies relating to this income.

4. OTHER EXPENSES

	Six months ended 30 June 2025 HK$'000 (unaudited)	Six months ended 30 June 2024 HK$'000 (unaudited)
Loss on disposal/write-off of items of property, plant and equipment, net	-	16
Termination benefits	486	1,479
Total	486	1,495

5. FINANCE COSTS

	Six months ended 30 June 2025 HK$'000 (unaudited)	Six months ended 30 June 2024 HK$'000 (unaudited)
Interest on interest-bearing bank borrowings	6,547	8,028
Interest on lease liabilities	991	1,218
Total	7,538	9,246

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

	Six months ended 30 June 2025 HK$'000 (unaudited)	Six months ended 30 June 2024 HK$'000 (unaudited)
Cost of inventories sold	162,219	153,068
Depreciation of property, plant and equipment	18,889	26,398
Depreciation of right-of-use assets	14,682	18,027
Lease payments not included in the measurement of lease liabilities	103,126	112,897
Advertising and counter decoration expenses	81,774	68,875
Impairment of right-of-use assets	2,162	8,737

7. INCOME TAX

	Six months ended 30 June 2025 HK$'000 (unaudited)	Six months ended 30 June 2024 HK$'000 (unaudited)
Current - Mainland China	-	-
Deferred tax charge/(credit)	3,802	(17,034)
Total tax charge/(credit) for the period	3,802	(17,034)

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share is based on the following data:

	Six months ended 30 June 2025 HK$'000 (unaudited)	Six months ended 30 June 2024 HK$'000 (unaudited)
Loss		
Loss for the purpose of basic loss per share	(57,959)	(82,235)

	Number of shares Six months ended 30 June 2025 (unaudited)	Number of shares Six months ended 30 June 2024 (unaudited)
Shares		
Number of ordinary shares of the Company outstanding, used in the basic loss per share calculation	422,416,638	422,416,638

No adjustment has been made to the basic loss per share amount presented for the period ended 30 June 2025 in respect of a dilution as the impact of the share options has anti-dilutive effect on the basic loss per share amount presented.

No adjustment has been made to the basic earnings per share amount presented for the period ended 30 June 2024 in respect of a dilution as the impact of the share options has anti-dilutive effect on the basic earning per share amount presented.

9. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June 2025 HK$'000 (unaudited)	Year ended 31 December 2024 HK$'000 (audited)
At beginning of period/year, net carrying amount	617,954	814,841
Additions	3,497	8,325
Disposals/write-off	(31)	(50)
Impairment	-	(118,699)
Depreciation provided during the period/year	(18,889)	(51,672)
Transfer to investment properties	(10,076)	(10,113)
Exchange realignment	23,447	(24,678)
At end of period/year, net carrying amount	615,902	617,954

NOTES (continued)

10. TRADE RECEIVABLES

An ageing analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 HK$'000 (unaudited)	31 December 2024 HK$'000 (audited)
Within 90 days	59,288	35,021
91 to 180 days	2,176	2,733
181 to 360 days	981	1,640
Over 360 days	3,206	3,471
	65,651	42,865
Less: Impairment allowance	(3,926)	(4,850)
Total	61,725	38,015

11. TRADE AND BILLS PAYABLE

An ageing analysis of the Group's trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2025 HK$'000 (unaudited)	31 December 2024 HK$'000 (audited)
Within 90 days	33,545	35,218
91 to 180 days	1,098	1,736
181 to 360 days	806	814
Over 360 days	1,576	1,252
Total	37,025	39,020

12. COMMITMENTS

At the end of the reporting period, the Group had the following commitments:

	30 June 2025 HK$'000 (unaudited)	31 December 2024 HK$'000 (audited)
Contracted for commitments in respect of the acquisition of property, plant and equipment	106,450	102,346

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS REVIEW

The first half of 2025 witnessed a complex and volatile international landscape, marked by severe disruptions to the economic and trade order, and heightened instability and uncertainty. Amidst a sluggish global economic recovery, China's economy pressed ahead under pressure. Benefitting from resilient exports, stimulus from China's trade-in programme against a low base, and the implementation of planned supportive measures, resulting in a sustained overall stable economic performance. According to the National Bureau of Statistics, China's gross domestic product (GDP) grew by 5.3% year on year during the first half of 2025.

China's economy continued its stable and improving trajectory. However, the market recovery was uneven, with robust exports masking persistent weakness in domestic demand. Since March, several policies aimed at stimulating consumption have been introduced intensively. In the first half of 2025, driven by these policy measures, the pressure from slowing domestic demand eased, and the overall consumer market sustained the moderate recovery trend observed since 2024. Total retail sales of consumer goods grew by 5.0% year on year. By consumption type, retail sales of goods increased by 5.1% year on year. However, retail sales of clothes, shoes, hats, and textiles grew by only 3.1%, indicating significant divergence across categories. By retail format, retail sales of physical department store and branded specialty stores rose by only 1.2% and 2.4%, respectively. These figures further underscore that the endogenous momentum of consumption growth remained insufficient. Due to employment and income factors, consumer confidence is evidently weak at present, and the consumption propensity has been declining. The business environment for underwear retail remains challenging.

For the six months ended 30 June 2025 (the "Current Period"), the Group recorded revenue of HK$604,528,000 (2024: HK$631,392,000). Compared to the six months ended 30 June 2024 (the "Prior Period"), the Group recognised a decrease in fair value changes on investment properties and other asset impairment during the Current Period. Consequently, the loss attributable to owners of the Company narrowed to approximately HK$57,959,000 from HK$82,235,000 in the Prior Period. Loss per share was 13.72 HK cents (2024: 19.47 HK cents).

The board of directors has resolved not to recommend the payment of an interim dividend in view of the uncertain economic outlook. The Company believes that this measure is a prudent and responsible means of preserving cash for the long-term financial health of the Group.

Brand management

In the first half of 2025, the Group leveraged its multi-brand strategy and adjusted marketing arrangements to meet market demand for its seven brands, namely ***EMBRY FORM, FANDECIE, COMFIT, E-BRA, IVU, IADORE*** and ***LIZA CHENG***. The Group caters to the segmented market by highlighting unique brand personalities to meet the needs and preferences of varying customer groups. The Group enhanced its brand competitiveness and market share while consolidating its flagship brand, ***EMBRY FORM***, which contributed most of the sales.

In terms of brand promotion, the Group optimised promotional content and communication strategies, deepening its multi-channel and multi-media presence. Through targeted resource allocation, enhanced social media operations, and expansion across diverse online content platforms, the Group effectively increased brand exposure and traffic. To further expand brand awareness and influence, the Group partnered with celebrity spokesperson Song Yi (宋軼). This collaboration served to attract a younger customer base while deepening loyalty among existing customers. Omnichannel promotional activities (both online and offline) strengthened audience engagement, and frequent, high-quality interactions generated valuable user insights for the brand, effectively boosting brand recognition. The strong alignment between Song Yi (宋軼) and the brand image was well-received by consumers, driving increased sales of ***EMBRY FORM*** products.

BUSINESS AND OPERATIONS REVIEW (continued)

Brand management (continued)

In the first half of 2025, online consumption penetration in the domestic market gradually stabilised, with the broader e-commerce sector maintaining steady growth. Structural shifts emerged in traffic channels, as e-commerce platforms progressively transitioned from traditional "shelf e-commerce" towards "content-driven e-commerce". The Group kept pace with these developments by prioritising upgrades to its e-commerce operating system. This involved actively generating high-quality content, strengthening brand visibility across major mainstream platforms, and deploying a comprehensive multi-channel social media traffic strategy. The Group enhanced its reach by capitalising on trending topics in real-time and leveraged partnerships with Key Opinion Leaders (KOLs) to precisely connect with target customer segments through interactive content. During the Current Period, the Group's e-commerce sales increased by 7.6% year on year, contributing 39% of the Group's total revenue. Notably, content-driven e-commerce models such as livestreaming on Douyin and WeChat Channels (視頻號) delivered significant growth contributions.

In response to China's strategic goals of "carbon peaking" and "carbon neutrality", the Group actively implemented its green development philosophy. During the Current Period, it once again launched the Eco Month initiative, taking concrete actions to conserve energy and reduce emissions. Upholding its "green, low carbon" and "sustainable" brand concepts, the Group introduced the "Garment Renewal Programme (舊衣煥新)", which standardises the refurbishment process and incorporates professional recycling facilities in retail stores, effectively integrating environmental advocacy with commercial value. Furthermore, the Group hosted multiple "Blue Ribbon Salon Livestream (藍絲帶沙龍直播)" events, maintaining its focus on women's health and reinforcing its positioning as both the "preferred brand for green, healthy, and high-quality underwear (綠色健康高品質貼身衣物首選品牌)" and as a leading environmental advocate in the industry.

Sales network

In the first half of 2025, the Group capitalised on prevailing online consumption trends to capture sales opportunities, intensifying its expansion in the online shopping market. Concurrently, in response to subdued physical retail demand, the Group strategically closed certain stores following cost-benefit analyses to optimise the overall operational efficiency of its sales network. The Group rebalanced the sales mix between online and offline channels to achieve optimal market coverage. As of 30 June 2025, the Group had a total of 761 retail outlets, including 629 concessionary counters and 132 retail stores, representing a net decrease of 50 retail outlets as compared to the end of 2024.

During the Current Period, the Group continued to operate online mirror stores with product information synchronised with physical retail stores, mutual empowering online and offline channels to drive traffic. This approach provided a convenient alternative shopping option to customers, which helped optimise store inventory deployment and management.

Product design, research and development

The Group has always been committed to excellent product quality and comfortable wearing experience. To meet consumer demand for environmentally friendly and lightweight underwear products, the Group continued to upgrade product designs and source suitable materials while ensuring a comfortable fit and design. The Group has also continued to use green, environmentally friendly, and non-polluting raw materials, committing to sustainable development at the source of production.

BUSINESS AND OPERATIONS REVIEW (continued)

Product design, research and development (continued)

Due to shifts in market conditions, the Group further intensified the development of products for online shopping during the Current Period by optimising the diversity, adaptability and cost-performance of products, thereby tapping into younger consumers market and driving steady growth in e-commerce sales. To cater to increasingly diversified consumer demands, the Group extensively developed functional fabrics for product applications, keeping on the development of new patented core competitive products. In the increasingly refined segments of the underwear market, the Group strived to maintain its market position in the highly competitive market.

During the Current Period, the Group launched a full range of popular new collections, including: ***EMBRY FORM***'s "Enchanted Rose (玫瑰物語)" and "Airy Exclusive (輕盈限定)"; ***FANDECIE***'s "Crystal Lover (水晶戀人)" and "Shine Chic (閃耀型凍)"; ***COMFIT***'s "Ultimate Contour 2.0 (極致美型 2.0)"; ***LIZA CHENG***'s "Classic Collection Clean Fit (經典系列 Clean Fit)" and "Exquisite Collection Rococo (臻致系列 Roccoco)"; ***E-BRA***'s "V-Collection (V 系列)"; and ***IVU***'s "Platinum Silk Sleep 2025 (鉑金絲眠 2025)".

The Group advocates for environmentally sound production processes while prioritising the health, comfort and eco-friendliness of its products for women. The Group has continued to strengthen the research and development of its green products, and launched the new "Breeze Nest Cup (風巢杯)" collections during the Current Period, which incorporates bio-based sustainable materials for bra underbands and straps, utilises lightweight mesh fabrics, and features 3D honeycomb ventilation technology. These advancements actively demonstrate the Group's commitment to low-carbon and environmental practices while delivering enhanced breathability and wearer comfort for consumers.

In the first half of 2025, the Group obtained three invention patents, six utility model patents and two design patents in China. As at 30 June 2025, the Group had a total of 145 patents, including 16 invention patents, 85 utility model patents and 44 design patents.

Production capacity

The Group operates production bases in Jinan, Shandong Province, and Changzhou, Jiangsu Province, with the Shandong plant equipped with intelligent warehouses for finished goods and materials. In response to market changes, the Group carefully analyses sales performance, and market trends and leverages flexible and adaptable supply chain resources to timely review and adjust supply volume, maximising efficiency and enhancing supply chain responsiveness.

To achieve sustainable development, the Group's Shandong Industrial Park prioritises low-carbon operations and environmental responsibility at the source. The industrial park utilises geothermal energy to tap the renewable energy, and adopts energy efficient features such as thermal insulation, energy-saving walls, and natural lighting to reduce the environmental impact. Besides, the Group's proprietary packaging machines use degradable plastic products to minimise pollution.

BUSINESS AND OPERATIONS REVIEW (continued)

Human resources

The Group understands that employees are one of the cornerstones of the Group's operations. It not only trained its employees and improved their welfare but also reviewed the internal management culture from time to time to enhance the sense of belonging among the employees. Meanwhile, the Group also actively improved production technology together with the utilisation of automated logistics system, improved the workflow of employees, and raised production efficiency, to mitigate the pressure of overall cost increase and improve operational efficiency.

As at 30 June 2025, the total number of employees of the Group was 3,865 (31 December 2024: 3,949). Total staff cost (including wages and basic salaries, commissions, bonuses, contributions to the retirement benefits scheme, share option scheme but excluding directors' and chief executive's remunerations) for the Current Period was HK$202,923,000 (2024: HK$210,021,000).

FINANCIAL REVIEW

Revenue

Amid the weak domestic consumer sentiment, revenue for the Current Period was HK$604,528,000 (2024: HK$631,392,000), representing a decrease of 4.3% from the Prior Period, and the Group's revenue from Chinese Mainland market decreased by approximately 3.2% year on year at constant exchange rates.

During the Current Period, the Group recorded significant growth in sales on e-commerce platforms, with online sales increasing by 7.6% year on year to HK$236,828,000 in the first half of 2025. Its contribution to total revenue increased to 39.2% from 34.9% in the same period last year. This growth was primarily driven by the Group's strategic alignment with online consumption trends through enhanced e-commerce operations and supply chain management. Meanwhile, revenue from retail sales was HK$346,363,000, representing a decrease of 11.9% from the Prior Period, accounting for 57.3% of the Group's total revenue. This contraction was mainly attributable to the challenging physical retail environment, which prompted the Group's strategic closure of certain offline stores. Facing these market headwinds, the Group intensified promotional activities in the second quarter, which contributed to a material quarter-on-quarter improvement in offline retail performance, with the rate of decline narrowing markedly as compared to the first quarter.

The Chinese Mainland market is the main source of income for the Group. During the Current Period, revenue from the mainland market was HK$582,494,000, accounting for 96.4% of the Group's total revenue.

Among the seven brands operated by the Group, ***EMBRY FORM***, the flagship brand, is the main source of income for the Group and its contribution to the total revenue accounted for 64.7%. Revenue from ***EMBRY FORM*** amounted to HK$391,105,000, up by 1.5% from that for the Prior Period. The revenue from other brands ***FANDECIE***, ***E-BRA***, ***COMFIT***, ***IVU***, ***IADORE*** and ***LIZA CHENG*** for the Current Period amounted to HK$206,189,000, accounting for 34.1% of the total revenue.

Lingerie continues to be the core product line of the Group. During the Current Period, sales of underwear amounted to HK$505,936,000, representing 83.7% of the revenue of the Group. Sales of sleepwear amounted to HK$72,568,000, accounting for 12.0% of the revenue of the Group, while sales of swimwear amounted to HK$9,020,000, accounting for 1.5% of the revenue of the Group.

Gross profit

During the Current Period, the Group recorded a gross profit of approximately HK$442,309,000 (2024: HK$478,324,000), representing a decrease of 7.5% from the Prior Period. The overall gross profit margin decreased by 2.6 percentage points year on year to 73.2%. The decrease was primarily attributable to the increased discounting as part of intensified promotional efforts, aiming to boost sales volume and stabilise the overall revenue.

FINANCIAL REVIEW (Continued)

Operating expenses

During the Current Period, selling and distribution expenses decreased by 3.3% year on year to HK$408,005,000 (2024: HK$422,004,000), accounting for 67.5% (2024: 66.8%) of the Group's revenue. The decrease in expenses was mainly due to a reduction in the number of concessionary counters and retail stores, which led to lower related rental costs and wages of sales staff. The Group continued to allocate resources in sales and marketing during the Current Period, including engaging a spokesperson and organising more promotional activities, with the aim of enhancing the Group's brand awareness and driving the Group's overall sales in the future.

Administrative expenses amounted to HK$75,265,000 (2024: HK$80,196,000), representing a decrease of 6.1% as compared to the same period last year, accounting for 12.5% (2024: 12.7%) of the Group's revenue.

Changes in fair value of investment properties and impairment of other asset

In the Current Period, changes in fair value of investment properties and impairment of other asset decreased significantly as compared with the Prior Period. Due to the prolonged sluggish property markets in the Chinese Mainland and Hong Kong in the Current Period, and with reference to the market price movements of surrounding properties, the fair value of the Group's investment properties in two Chinese Mainland locations, Shanghai and Changzhou, as well as in Hong Kong, declined by an aggregate amount of approximately HK$14,349,000 for the Current Period (2024: HK$43,674,000). In addition, the Group recognised an impairment of approximately HK$5,484,000 (2024: HK$22,065,000) with respect to the Group's other asset in Shenzhen, the PRC, which represents the right to receive the new properties pursuant to a relocation arrangement in 2017.

Impairment of right-of-use assets and other expenses

The Group made provisions for impairment of right-of-use assets in retail stores and concessionary counters of approximately HK$2,162,000 for the Current Period (2024: HK$8,737,000). Other expenses amounted to HK$486,000 (2024: HK$1,495,000).

Income tax

The Group recorded an income tax of approximately HK$3,802,000 for the Current Period (2024: income tax credit of HK$17,034,000).

Loss

During the Current Period, loss attributable to owners of the Company was HK$57,959,000 (2024: HK$82,235,000), mainly attributable to the operating loss and the above-mentioned changes in fair value of investment properties and impairment of other asset.

Liquidity and financial resources

The Group finances its operations mainly with internally generated cash flows. Financial position of the Group remained healthy during the Current Period. As at 30 June 2025, the Group's cash and cash equivalents amounted to approximately HK$212,742,000 (31 December 2024: HK$163,434,000). As at 30 June 2025, the Group's interest-bearing bank borrowings amounted to HK$402,561,000 (31 December 2024: HK$323,253,000). As at 30 June 2025, equity attributable to owners of the Company was HK$1,727,410,000 (31 December 2024: HK$1,722,552,000); the gearing ratio of the Group was approximately 23.3% (31 December 2024: 18.8%).

FINANCIAL REVIEW (Continued)

Capital expenditure
During the Current Period, the capital expenditure of the Group amounted to HK$3,497,000 (2024: HK$5,615,000), which was mainly used for motor vehicles and computer software. As at 30 June 2025, the capital commitments of the Group amounted to HK$106,450,000 (31 December 2024: HK$102,346,000), which were contracted but not provided for in the financial statements.

Charge on the Group's assets
As at 30 June 2025, the Group pledged investment properties, buildings and right-of-use assets in Hong Kong and Changzhou with net book values of HK$227,874,000, HK$186,546,000 and HK$14,325,000, respectively, to bank to finance loans. In addition, the Group pledged buildings in Shenzhen with a net book value of HK$1,234,000 to bank to finance loans.

Capital structure
As at 30 June 2025, the total issued share capital of the Company was HK$4,224,000 (31 December 2024: HK$4,224,000), comprising 422,416,638 (31 December 2024: 422,416,638) ordinary shares of HK$0.01 each.

Significant investment held, material acquisitions and disposals of subsidiaries and associated companies
During the Current Period, the Group was neither involved in any significant investment, nor any material acquisitions or disposals of any subsidiaries or associated companies.

Foreign currency exposure
The Group carries out its transactions mainly in Hong Kong dollars and Renminbi. The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and other financial assets and liabilities created in the ordinary course of the business.

Contingent liabilities
As at 30 June 2025, bank guarantees given in lieu of the Group's property rental deposits and utility deposits amounted to HK$646,000 (31 December 2024: HK$646,000). Save as disclosed above, the Group had no other significant contingent liabilities, nor any litigation or arbitration of material importance.

PROSPECT

Looking ahead to the second half of the year, the global economic recovery remains constrained by weak momentum, compounded by Sino-US trade frictions, geopolitical risks, and volatile international demand. China's economy continues to face significant domestic and external headwinds. Notwithstanding persistent external uncertainties and ongoing structural adjustment pressures domestically, China's economic resilience is poised to strengthen further, supported by policy measures, a rebound in domestic demand, and manufacturing sector transformation, thereby sustaining its recovery trajectory. Concurrently, with overall stable employment conditions and steady household income growth, domestic consumption is expected to achieve measured growth in the second half of 2025. However, the lingerie sector continues to face intense "rat race" competition, with its performance expected to lag the broader consumer market behind amid increasingly fierce competition. Against the backdrop of moderate-income growth projections, a rational approach to spending is driving consumers to favour value-for-money products that offer a good balance of quality and affordability.

Facing the current consumption environment, the Group, leveraging its profound experience and brand strength accumulated in China's women's lingerie industry, combined with flexible adaptability, is confident in consolidating its market position. In response to consumers' increasingly rational and prudent attitudes towards lingerie consumption, the Group will closely monitor market dynamics and respond rapidly in product design, production technology, marketing, and channel strategies. We will continue to deepen the development of e-commerce products, enhance product adaptability, and strengthen cooperation with low-carbon suppliers to comprehensively launch environmentally friendly products, meeting consumers' demands for quality, rational consumption, and green sustainable development.

In the future, the Group will continuously review and optimise business strategies while actively exploring niche markets. Seizing e-commerce growth opportunities, it will strengthen social media and e-commerce platform operations and enhance brand influence across multiple channels to consolidate online retail advantages. At the same time, the Group will extend its successful celebrity endorsement strategy to further solidify market share. In terms of production, the Group will flexibly allocate production capacity and supply chain resources and fully utilise its intelligent warehousing logistics system to enhance supply efficiency and delivery speed, while actively promoting energy conservation, emission reduction and supply chain optimisation to achieve sustainable development.

Adhering to its commitment to quality, the Group will continue to adopt a flexible and effective multi-brand strategy to respond to the ever-changing market and strive to create long-term value for shareholders through prudent and effective allocation of resources.

OTHER INFORMATION

REVIEW OF INTERIM FINANCIAL INFORMATION

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group, the unaudited condensed consolidated financial statements of the Group for the Current Period and discussed risk management, internal controls and financial reporting matters.

The external auditor of the Company has reviewed the condensed consolidated financial statements for the six months ended 30 June 2025 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

INTERIM DIVIDEND

On 29 August 2025, the Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any listed securities (including sale of treasury shares) of the Company during the Current Period.

As at 30 June 2025, there were no treasury shares held by the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

In the opinion of the Directors, the Company has complied with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the Current Period.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' and employees' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules (the "Securities Dealing Code"). Having made specific enquiries of all Directors and members of the senior management, they have confirmed that they had complied with the required standard as set out in the Securities Dealing Code during the Current Period.

PUBLICATION OF 2025 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk and the Company at http://www.embrygroup.com respectively. The 2025 interim report of the Group containing all the information required by the Listing Rules will be published on the above websites in due course.

By Order of the Board
Embry Holdings Limited
Ngok Ming Chu
Chairman

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Madam Ngok Ming Chu (Chairman), Ms. Cheng Pik Ho Liza (Chief Executive Officer), Mr. Cheng Chuen Chuen and Ms. Lu Qun; and four independent non-executive Directors, namely Mr. Chan Chi On, Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S.