

[For Immediate Release]



**Embry Holdings Limited  
Announces 2023 Interim Results**

**\*\*\* \*\***

**Revenue reached HK\$709,590,000  
Increased by 1.16% YoY at constant exchange rates**

(24 August 2023 – Hong Kong) **Embry Holdings Limited** (“Embry Group” or the “Group”; Stock Code: 1388), a major lingerie brand owner and retailer in China, announces its unaudited interim results for the six months ended 30 June 2023 (the “Current Period”) today.

During the Current Period, revenue was HK\$709,590,000, representing a decrease of 4.44% from the six months ended 30 June 2022 (the “Prior Period”), mainly attributable to the depreciation of Renminbi in the first half of the year, while the Group’s revenue would have increased by approximately 1.16% year on year at constant exchange rates. Gross profit margin decreased by 1.46 percentage points to 74.45%. Profit attributable to owners of the Company more than tripled to HK\$5,367,000 for the Current Period due to a low base effect during the same period last year. The increase in net profit was mainly attributable to the decrease in other expenses, in particular the reversal of impairment of right-of-use assets previously recognised by the Group, and the recognition of tax credits by the Group. Earnings per share were HK1.27 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.

Reviewing the Group’s operation in the first half of 2023, Ms. Liza Cheng, Chief Executive Officer and Executive Director of the Group, said, “In the first half of the year, the release of the pent-up demand triggered by the easing of the pandemic prevention and control measures in China led to a recovery in consumption. The brick-and-mortar retail businesses have gradually recovered, and consumption data in the catering, retail and tourism sectors have all indicated rebounds. However, the complicated global politics and economy, coupled with the not yet stable foundation for a sustained recovery in the domestic economy, have made China’s consumer sentiment cautious. While the sales of daily necessities recovered at a faster pace, but the sub-essential underwear industry has not yet seen a full recovery in its business to the pre-pandemic levels.”

In the first half of 2023, the Group continued to leverage on the advantages of its multi-brand strategy and adjusted marketing arrangements in response to 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 fulfil the needs and preferences of varying customer groups. The Group enhanced its brand competitiveness and expanded market share while consolidating its flagship brands, **EMBRY FORM** and **FANDECIE**, which contributed the majority of sales.

– Cont’d –

Among the seven brands operated by the Group, **EMBRY FORM**, the flagship brand, and **FANDECIE**, the young and energetic brand, are the main sources of income for the Group and their contributions to the total revenue accounted for 53.83% and 16.89%, respectively. **EMBRY FORM's** revenue amounted to HK\$381,932,000, which decreased by 2.06% from the Prior Period. **FANDECIE's** revenue amounted to HK\$119,878,000, which decreased by 16.71% from the Prior Period. The other brands **E-BRA, COMFIT, IVU, IADORE and LIZA CHENG's** revenue for the Current Period amounted to HK\$206,019,000, accounting for 29.03% of the overall revenue.

During the Current Period, revenue from retail sales was HK\$482,731,000, accounting for 68.03% of the Group's total revenue and representing a decrease of 2.51% from the Prior Period. The Group recorded a decrease in sales at e-commerce platforms. Revenue from the Internet decreased by 6.96% to HK\$206,064,000 in the first half of 2023, accounting for 29.04% of the total revenue. The decrease was mainly because consumers increased consumption offline after the pandemic prevention and control measures were eased in China at the beginning of the year. Revenue from the Internet declined year on year when people shopped online much more frequently during the peak of the pandemic.

During the Current Period, the selling and distribution expenses decreased by 3.93% to HK\$440,544,000, accounting for 62.08% of the Group's revenue. The decrease in expenses was mainly due to the decrease in the number of concessionary counters and retail stores, resulting in a decrease in the related rental costs and wages of sales staff. Administrative expenses decreased by 6.91% over the Prior Period to HK\$84,757,000, accounting for 11.94% of the Group's revenue.

In the first half of 2023, the Group continued to further optimise and improve its sales network. As at 30 June 2023, the Group had 1,039 retail outlets in total, including 872 concessionary counters and 167 retail stores, representing a net decrease of 45 retail outlets as compared to the end of December 2022. The Group seized the opportunity of online sales, and actively explored and developed the online shopping market to improve the overall operational efficiency of its sales network. The Group strategically adjusted its store network and appropriately integrated the proportion of online and offline sales to achieve optimal channel coverage.

In terms of brand promotion, the Group did not fully conduct its campaigns in the first half of the year even after the relaxation of the government's pandemic prevention and control measures, reserving resources for promotional campaigns in the second half of the year with the best results when the market sentiment further recovers. The Group made full use of social media platforms to promote its brands, followed the website traffic trends and conducted precision marketing for its brands and products through collaboration with Internet celebrities and interaction with customers, thus building good customer relationships and enhancing customers' brand loyalty. During the Current Period, its different brands collaborated with a well-known young dancer, an artiste and a media professional, and strengthened their cooperation with social media to enhance brand exposure and deepen market penetration.

To echo the Chinese government's dual goal of attaining carbon emissions peak and carbon neutrality as well as its other environmental protection initiatives, the Group conducted the "MADE IN GREEN Ocean Journey" art pop-up store activities in large shopping malls and department stores in various cities to convey the proposition of sustainability and environmental protection to the public. Through a series of Blue-Ribbon public welfare actions, the Group promoted environmental protection and called on the public to pay attention to environmental protection issues and participate in relevant activities, aiming to protect the ecosystem and enable sustainable development.

Looking ahead to the second half of 2023, the Chinese government will step up its efforts to stabilize the economy, aiming for steady national development. As a result, the retail market can expect moderate growth. However, consumers have become more prudent as they are facing the uncertainties of the global economy and politics and have experienced the COVID-19 pandemic. They are now more practical about making consumption decisions while aiming for better quality of life and sustainable consumption. They may even spend less. The retail and consumer industry has yet to see a full recovery to the pre-pandemic levels, and the underwear industry, in particular, is expected to recover more slowly than the overall retail market does.

Ms. Cheng concluded, “The Group will closely monitor market trends to make timely adjustments in terms of product design, production technology, marketing and sales channels to fulfil the needs of consumers. In the future, the Group will continue to review and adjust its business strategy, continue to explore different market segments, and at the same time, matching with the consumption pattern in the post-pandemic era, increase interactive promotion through social media, boost e-commerce sales, strive to expand the market share of its brands in the online retail market and optimise the effectiveness of the sales network. In terms of production capability, the Group will respond promptly to market demands, leverage on the advantages of resource deployment through its self-production and self-distribution model as well as the ancillary logistics facilities of intelligent finished goods and materials warehouses to enhance production and logistics efficiency, and actively save energy, reduce emission and optimise the supply chain in order to achieve a sustainable development, striving to create long-term value for shareholders.”

– End –

**About Embry Holdings:**

Embry is a major lingerie brand owner and retailer in China, which has established an extensive retail network comprising around 1,000 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates seven brands namely, **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **LIZA CHENG**, **IADORE**, and **IVU** with each of them targeting at different customers.

For further information, please contact:

**iPR Ogilvy Limited**

Tina Law / Lorraine Luk

Tel: (852) 2136 6181 / 2169 0467

Email: [embry@iprogilvy.com](mailto:embry@iprogilvy.com)