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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 FINAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the "**Board**" or "**Directors**") of Embry Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025, prepared in accordance with relevant requirements of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), together with the comparative figures in 2024 and the relevant explanatory notes.

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

Hong Kong, 27 March 2026

*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.*

## CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	4	1,169,982	1,152,570
Cost of sales		<u>( 351,533)</u>	<u>( 303,896)</u>
Gross profit		818,449	848,674
Other income and gains, net	5	35,139	21,840
Selling and distribution expenses		( 822,846)	( 813,910)
Administrative expenses		( 154,252)	( 159,813)
Impairment of property, plant and equipment		( 40,389)	( 118,699)
Changes in fair value of investment properties		( 40,413)	( 69,380)
Impairment of Other Asset		( 31,957)	( 39,457)
Impairment of right-of-use assets		( 10,889)	( 18,076)
Reversal of impairment/(impairment) of financial assets, net		572	( 617)
Other expenses	6	( 1,299)	( 1,415)
Finance costs	7	<u>( 15,522)</u>	<u>( 17,683)</u>
LOSS BEFORE TAX	8	( 263,407)	( 368,536)
Income tax credit/(expense)	9	<u>10,229</u>	<u>( 4,899)</u>
LOSS FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>( 253,178)</u>	<u>( 373,435)</u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	11		
- Basic (HK cents)		<u>(59.94)</u>	<u>(88.40)</u>
- Diluted (HK cents)		<u>(59.94)</u>	<u>(88.40)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
LOSS FOR THE YEAR	( <u>253,178</u> )	( <u>373,435</u> )
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of foreign operations	75,755	( 64,901 )
Other comprehensive income/(expense) that will not be reclassified to the income statement in subsequent periods:		
Revaluation surplus	4,968	3,341
Deferred tax debited to asset revaluation reserve	( 1,242 )	( 835 )
Net other comprehensive income that will not be reclassified to the income statement in subsequent periods	<u>3,726</u>	<u>2,506</u>
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR, NET OF TAX	<u>79,481</u>	( <u>62,395</u> )
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>( 173,697 )</u>	<u>( 435,830 )</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		570,912	617,954
Investment properties		465,702	473,225
Right-of-use assets		114,448	108,035
Other Asset		325,222	342,660
Deferred tax assets		81,602	74,169
Deposits and other receivables		12,805	17,982
Interests in associate		600	-
Total non-current assets		<u>1,571,291</u>	<u>1,634,025</u>
<b>CURRENT ASSETS</b>			
Inventories		431,150	477,441
Trade receivables	12	77,544	38,015
Prepayments, deposits and other receivables		53,936	52,030
Tax recoverable		370	266
Restricted bank balances		8,333	-
Cash and cash equivalents		<u>181,456</u>	<u>163,434</u>
Total current assets		<u>752,789</u>	<u>731,186</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	13	48,597	39,020
Interest-bearing bank and other borrowings	14	229,556	213,905
Lease liabilities		30,604	28,011
Other payables and accruals		<u>147,598</u>	<u>134,762</u>
Total current liabilities		<u>456,355</u>	<u>415,698</u>
<b>NET CURRENT ASSETS</b>		<u>296,434</u>	<u>315,488</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,867,725</u>	<u>1,949,513</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings	14	204,023	109,348
Lease liabilities		12,337	12,170
Deferred tax liabilities		100,418	103,189
Other payables		<u>2,092</u>	<u>2,254</u>
Total non-current liabilities		<u>318,870</u>	<u>226,961</u>
Net assets		<u>1,548,855</u>	<u>1,722,552</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital		4,224	4,224
Reserves		<u>1,544,631</u>	<u>1,718,328</u>
Total equity		<u>1,548,855</u>	<u>1,722,552</u>

## NOTES

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

### 2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associate for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

### 3. SEGMENT INFORMATION

The Group's primary operating segment is the manufacture and sale of ladies' brassieres, panties, swimwear, sleepwear and others. Since this is the only operating segment of the Group, no further analysis thereof is presented. In determining the Group's geographical information, the revenue information is based on the locations of the customers, and the total non-current asset information, other than deferred tax assets, is based on the locations of the assets.

	Mainland China		Hong Kong		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>1,129,523</u>	<u>1,112,562</u>	<u>30,005</u>	<u>33,956</u>	<u>10,454</u>	<u>6,052</u>	<u>1,169,982</u>	<u>1,152,570</u>
Non-current assets	<u>1,398,005</u>	<u>1,465,788</u>	<u>91,684</u>	<u>94,068</u>	<u>-</u>	<u>-</u>	<u>1,489,689</u>	<u>1,559,856</u>
Capital expenditure incurred during the year	<u>9,323</u>	<u>8,315</u>	<u>1,240</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>10,563</u>	<u>8,325</u>

For the years ended 31 December 2025 and 2024, as no revenue from sales to any customer of the Group has individually accounted for over 10% of the Group's total revenue, no information about major customers is presented under HKFRS 8.

### 4. REVENUE

An analysis of revenue is as follows:

	2025	2024
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>1,169,982</u>	<u>1,152,570</u>

NOTES (continued)

5. OTHER INCOME AND GAINS, NET

	2025 HK\$'000	2024 HK\$'000
<u>Other income</u>		
Subsidy income*	6,848	2,636
Gross rental income from investment property operating leases:		
Other lease payments, including fixed payments	20,017	17,326
Variable lease payments that do not depend on an index or a rate	599	635
Bank interest income	1,509	2,632
Gain on termination of leases	97	187
Others	<u>2,518</u>	<u>4,340</u>
Subtotal	<u>31,588</u>	<u>27,756</u>
<u>Gains/(losses), net</u>		
Foreign exchange differences, net	<u>3,551</u>	<u>( 5,916)</u>
Total other income and gains, net	<u>35,139</u>	<u>21,840</u>

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

6. OTHER EXPENSES

	2025 HK\$'000	2024 HK\$'000
Charitable donation	30	-
Loss on disposal/write-off of items of property, plant and equipment, net	40	15
Employee termination benefits	<u>1,229</u>	<u>1,400</u>
Total other expenses	<u>1,299</u>	<u>1,415</u>

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank loans	13,516	15,403
Interest on lease liabilities	<u>2,006</u>	<u>2,280</u>
Total	<u>15,522</u>	<u>17,683</u>

NOTES (continued)

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold	351,533	303,896
Depreciation of property, plant and equipment	37,524	51,672
Depreciation of right-of-use assets	32,726	30,906
Gain on termination of leases	( 97)	( 187)
Lease payments not included in the measurement of lease liabilities	201,911	209,728
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
Wages and salaries	359,692	365,073
Retirement benefit scheme contributions	45,386	45,953
Employee termination benefits	1,229	1,400
Total	<u>406,307</u>	<u>412,426</u>
Advertising and counter decoration expenses	163,705	139,564
Impairment of property, plant and equipment	40,389	118,699
Changes in fair value of investment properties	40,413	69,380
Impairment of Other Asset	31,957	39,457
Impairment of right-of-use assets	10,889	18,076
Provision/(write-back/write off of provision) for obsolete inventories, net	<u>5,187</u>	<u>( 16,300)</u>

9. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2024: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the regions in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Deferred	<u>(10,229)</u>	<u>4,899</u>
Total tax expense/(credit) for the year	<u>(10,229)</u>	<u>4,899</u>

10. DIVIDENDS

The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 December 2025.

NOTES (continued)

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

The calculation of basic loss per share is based on:

	2025 HK\$'000	2024 HK\$'000
<u>Earnings</u>		
Loss attributable to owners of the Company, used in the basic loss per share calculation	( 253,178)	( 373,435)
<u>Shares</u>		
	Number of shares 2025	2024
Number of ordinary shares of the Company outstanding, used in the basic loss per share calculation	<u>422,416,638</u>	<u>422,416,638</u>
Basic loss per share (HK cents)	<u>(59.94)</u>	<u>(88.40)</u>

(b) Diluted

No adjustment has been made to the basic loss per share amount presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the impact of the share options has anti-dilutive effect on the basic loss per share amount presented.

12. 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:

	2025 HK\$'000	2024 HK\$'000
Within 90 days	74,402	35,021
91 to 180 days	2,882	2,733
181 to 360 days	1,539	1,640
Over 360 days	<u>2,999</u>	<u>3,471</u>
	81,822	42,865
Less: Impairment allowance	( 4,278)	( 4,850)
Total	<u>77,544</u>	<u>38,015</u>

NOTES (continued)

13. TRADE PAYABLES

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

	2025 HK\$'000	2024 HK\$'000
Within 90 days	45,197	35,218
91 to 180 days	724	1,736
181 to 360 days	768	814
Over 360 days	<u>1,908</u>	<u>1,252</u>
Total	<u>48,597</u>	<u>39,020</u>

The trade payables are non-interest-bearing and are normally settled on 30 to 90 days terms.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
<b>Current</b>				Hong Kong Interbank Offered Rate ("HIBOR")		
Bank loans – secured	3.50-5.24	2026	101,556	+1.45	2025	81,777
Bank loans – unsecured	2.90-3.40	2026	89,111	3.30-3.40	2025	43,830
Bank advance for discounted bills	0.91-2.23	2026	<u>38,889</u>	2.34-2.80	2025	<u>88,298</u>
Total – current			<u>229,556</u>			<u>213,905</u>
<b>Non-current</b>				HIBOR		
Bank loans – secured	3.58-5.24	2026-2030	182,134	+1.45	2026	109,348
Bank loans – unsecured	2.90	2028	<u>21,889</u>			<u>-</u>
			<u>204,023</u>			<u>109,348</u>
Total			<u>433,579</u>			<u>323,253</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and Operations Review

In 2025, the domestic economy came under pressure from both internal and external factors. Domestically, the real estate market remained sluggish, consumer demand was weak, and deflationary risks loomed. Externally, the economy was challenged by U.S. tariff adjustments, heightened geopolitical tensions, and a slowdown in global growth. Faced with a complex landscape of rapidly changing external conditions and increasing domestic headwinds, China implemented more proactive macroeconomic policies, enabling the economy to maintain overall resilience. According to the National Bureau of Statistics, China's gross domestic product (GDP) grew by 5.0% year on year in 2025, primarily supported by stronger-than-expected export growth and robust industrial production.

Robust exports propelled GDP growth to meet the annual target set at the beginning of the year, yet this achievement underscored the persistent weakness in the self-sustaining momentum of domestic demand. In 2025, total retail sales of consumer goods reached RMB50.1 trillion, up 3.7% year on year. This growth rate not only lagged behind GDP expansion but also fell short of the pace of industrial production growth. Overall industry sentiment has yet to fully recover with a slowing household income growth and a rising propensity to save, coupled with external macroeconomic headwinds, have constrained both consumption capacity and willingness. As a result, retail demand remained subdued and consumer confidence requires further strengthening. Value for money and emotional appeal became key factors driving purchasing decisions. Against this backdrop, the lingerie retail operating environment also faced significant challenges, with many companies seeing revenue growth fail to translate into corresponding profit gains.

For the year ended 31 December 2025 (the "Current Year"), the Group's revenue amounted to HK\$1,169,982,000 (2024: HK\$1,152,570,000), and the loss attributable to owners of the Company narrowed to approximately HK\$253,178,000 from HK\$373,435,000 for the year ended 31 December 2024 (the "Prior Year"). Excluding non-recurring, unrealised, and non-cash items of the Group, including, among others, provision for impairment of property, plant and equipment, changes in fair value of properties, impairment of other asset, and provision for impairment of right-of-use assets totalling approximately HK\$123,648,000 (2024: HK\$245,612,000), the Company's operating loss before tax for the Current Year amounted to approximately HK\$139,759,000 (2024: HK\$122,924,000). Loss per share was HK\$59.94 cents (2024: HK\$88.40 cents).

The board of directors has resolved not to recommend the payment of a final 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Business and Operations Review (continued)

#### Brand management

In 2025, the Group continued to make good use of 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 its brands' unique personalities to meet the needs and preferences of various customer groups. The Group enhanced its brand competitiveness and expanded its market share while consolidating its flagship brand, *EMBRY FORM*, which contributed the majority of sales.

In terms of brand promotion, the Group comprehensively optimised its promotional content and communication strategies in 2025, continuously expanding its multi-channel and multi-media integration approach. By precisely allocating marketing resources, intensifying social media operations, and actively developing diverse online content platforms such as live streaming, the Group enhanced brand exposure and traffic. To further expand brand influence and market recognition amid the rising influence of emotional value on consumer intent, the Group continued its collaboration with celebrity spokesperson, Song Yi (宋軾), throughout the year to target younger consumer segments. Concurrently, it leveraged the 50th anniversary celebration of *EMBRY FORM* to strengthen loyalty among existing customers. Supported by integrated omnichannel promotions across offline and online platforms, fan engagement and retention steadily strengthened, further deepening brand recognition. The seamless alignment between Song Yi (宋軾) and the brand image garnered positive consumer feedback and drove higher sales of *EMBRY FORM* products.

In 2025, the integration of online and offline channels deepened alongside increasingly diversified channel strategies. Adapting to these channel shifts and optimising consumer engagement, the Group initiated a systematic upgrade of its e-commerce operations system in the second quarter. Key efforts included strengthening promotional efforts on e-commerce platforms, enhancing brand visibility across major platforms, and building a multi-platform social media traffic network, with real-time tracking of trending topics to improve content reach efficiency. At the same time, the Group deepened collaborations with renowned live streamers, using highly interactive content to precisely connect with target customer groups. This further enhanced the overall effectiveness of online exposure, driving sales conversion and advancing brand digitalisation. During the year, the Group's e-commerce channel sales recorded a favourable year-on-year growth of 12.2%, with its contribution to total Group revenue increasing to 38.4%.

To actively align with the national strategic goals of “carbon peaking” and “carbon neutrality” while cultivating a green and healthy brand image, the Group hosted multiple “Blue Ribbon Salon Livestream (藍絲帶沙龍直播)” events during the year. These events focused on women's health topics to establish recognition as 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)”. It also launched popular eco-friendly products such as the “Yanjiang Warm Skinwear (焱薑暖膚衣)”. Furthermore, adhering to its philosophy of “green, low-carbon, and sustainable development”, the Group launched 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. This initiative demonstrates practical actions toward energy conservation and consumption reduction, driving green transformation within the industry.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Business and Operations Review (continued)

#### Sales network

In 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 31 December 2025, the Group had a total of 716 retail outlets, including 595 concessionary counters and 121 retail stores, representing a net decrease of 95 retail outlets as compared to the end of 2024.

During the Current Year, the Group continued to operate online mirror stores with product information synchronised with physical retail stores, enabling synergy between 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 remains committed to excellent product quality and comfortable wearing experience. To meet consumer demand for environmentally friendly and lightweight underwear products, the Group has 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.

Due to shifts in market conditions, the Group further intensified the development of products for online shopping during the year 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 leading position in the highly competitive market.

During the Current Year, the Group launched a full range of popular new collections, including: **EMBRY FORM**'s collaborative collections “Blue and White Limited Edition (青花限定)” and “Intimate Limited Edition (親密限定)”; **FANDECIE**'s “My Furry Friend (我的毛朋友)” and “Chic Cat Style (時髦貓系)”; **COMFIT**'s “Smart Flex (智慧韌帶)”; **LIZA CHENG**'s “Healing (織愈)” and “Modern Milan (摩登米蘭)”; **E-BRA**'s “Comfort Season Collection (舒適季品)”; **IADORE**'s “Refreshing Elegance (沁雅微瀾)”; and **IVU**'s “Intimate Collection (親密限定)”.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Business and Operations Review (continued)

#### Product design, research and development (continued)

In addition, the Group advocates for environmentally sound production processes while prioritising the health, comfort and eco-friendliness of its products for women. The Group continued to strengthen the innovative research and development of its green products, and launched the new “Breeze Nest Cup (風巢杯)” collection during the year, 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 2025, the Group obtained 21 new patents in China, including 6 invention patents, 10 utility model patents and 5 design patents. As at 31 December 2025, the Group had a total of 147 patents, including 82 utility model patents, 19 invention patents and 46 design patents. Furthermore, the Group’s Shandong plant obtained a High-Tech Enterprise Certificate valid for three years during the year, earning official recognition by Chinese authorities as a top-tier technological enterprise. This fully affirms the Group’s research and development capabilities within the industry.

#### 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.

#### 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 31 December 2025, the number of employees of the Group was approximately 3,719 (2024: approximately 3,949). Total staff cost (including wages and basic salaries, commissions, bonuses, contributions to the retirement benefits scheme and share option scheme but excluding directors’ and chief executive’s remunerations) for the Current Year was HK\$406,307,000 (2024: HK\$412,426,000).

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Financial Review

#### Revenue

During the Current Year, revenue was HK\$1,169,982,000, representing a slight increase of 1.5% from the Prior Year, and the Group's revenue from the Chinese Mainland market slightly increased by approximately 1.8% from the Prior Year at constant exchange rates. Benefitting from the Group's intensified marketing efforts starting in the second quarter, revenue began to gradually improve mid-year and achieved year-on-year growth in the second half.

During the Current Year, the Group recorded significant growth in sales on e-commerce platforms, with revenue from retail sales amounting to HK\$687,534,000, representing a decrease of 4.5% from the Prior Year, accounting for 58.8% of the Group's total revenue. Additionally, the Group's online revenue increased by 12.2% year on year to HK\$449,290,000 in 2025, accounting for 38.4% of total revenue, up from 34.7% in the Prior Year. The increase was primarily driven by the Group's enhanced e-commerce platform operations and increased online promotional efforts to clear inventory, which resulted in revenue growth from online sales.

The Chinese Mainland market is the main source of income for the Group. During the Current Year, revenue from the mainland market was HK\$1,129,523,000, accounting for 96.5% 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 66.0%. Benefitting from the Group's effective brand promotion and marketing efforts, revenue from **EMBRY FORM** increased by 8.2% to HK\$772,126,000 from that for the Prior Year. The combined revenue from other brands **FANDECIE**, **E-BRA**, **COMFIT**, **IVU**, **IADORE**, and **LIZA CHENG** for the Current Year amounted to HK\$387,402,000, accounting for 33.1% of the total revenue.

Lingerie continues to be the core product line of the Group. During the Current Year, sales of underwear amounted to HK\$964,865,000, representing 82.5% of the revenue of the Group. Sales of sleepwear amounted to HK\$157,723,000, accounting for 13.5% of the revenue of the Group, while sales of swimwear amounted to HK\$21,289,000, accounting for 1.8% of the revenue of the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Financial Review (continued)

#### Gross profit

During the Current Year, the Group recorded a gross profit of approximately HK\$818,449,000 (2024: HK\$848,674,000), representing a decrease of 3.6% from that for the Prior Year. The overall gross profit margin decreased by 3.6 percentage points year on year to 70.0%. The decrease was primarily attributable to the higher proportion of lower-priced online sales from the Group's intensified promotional efforts, which aimed to boost sales volume and stabilise the overall revenue.

#### Operating expenses

During the Current Year, the selling and distribution expenses amounted to HK\$822,846,000 (2024: HK\$813,910,000), representing a slight increase from the Prior Year and accounting for 70.3% of the Group's revenue (2024: 70.6%). This was primarily due to, on one hand, 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; on the other hand, greater investment in sales and marketing during the Current Year, including engaging a spokesperson and organising promotional activities to enhance the Group's brand awareness and driving the Group's overall sales. While store-related costs declined, marketing spend increased, resulting in a modest rise in the selling and distribution expenses. However, the ratio of the selling and distribution expenses to the overall sales decreased slightly during the Current Year due to the slightly higher sales performance.

Administrative expenses amounted to HK\$154,252,000 (2024: HK\$159,813,000), representing a decrease of 3.5% from that for the Prior Year, accounting for 13.2% (2024: 13.9%) of the Group's revenue.

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

In the Current Year, changes in fair value of investment properties and impairment of other asset decreased significantly as compared with the Prior Year. Due to the prolonged sluggish property markets in the Chinese Mainland and Hong Kong in the Current Year, 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\$40,413,000 for the Current Year (2024: HK\$69,380,000). In addition, the Group recognised an impairment of approximately HK\$31,957,000 (2024: HK\$39,457,000) 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 property, plant and equipment

The Group has recorded a decline in revenue and losses for several consecutive years due to the domestic consumer sentiment and fierce market competition in recent years. It is expected that the intense market competition may persist for some time. The Group adopted a conservative and cautious approach in assessing the impairment of its property, plant and equipment and recognized an impairment of its property, plant and equipment of approximately HK\$40,389,000 for the Current Year (2024: HK\$118,699,000).

## **MANAGEMENT DISCUSSION AND ANALYSIS** (continued)

### **Financial Review** (continued)

#### **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\$10,889,000 for the Current Year (2024: HK\$18,076,000). Other expenses amounted to HK\$1,299,000 (2024: HK\$1,415,000).

#### **Income tax**

The Group recorded an income tax credit of approximately HK\$10,229,000 for the Current Year (2024 charge: HK\$4,899,000).

#### **Loss**

During the Current Year, loss attributable to owners of the Company narrowed significantly to HK\$253,178,000 from the Prior Year (2024: HK\$373,435,000). This was mainly attributable to the operating loss and the above-mentioned changes in fair value of investment properties, impairment of property, plant and equipment, impairment of Other Asset and impairment of right-of-use assets.

#### **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 Year. As at 31 December 2025, the Group's cash and cash equivalents amounted to approximately HK\$181,456,000 (2024: HK\$163,434,000). As at 31 December 2025, the Group's interest-bearing bank and other borrowings amounted to HK\$433,579,000 (2024: HK\$323,253,000). As at 31 December 2025, equity attributable to owners of the Company was HK\$1,548,855,000 (2024: HK\$1,722,552,000); the gearing ratio of the Group was approximately 28.0% (2024: 18.8%).

#### **Capital expenditure**

During the Current Year, the capital expenditure of the Group amounted to HK\$10,563,000 (2024: HK\$8,325,000), which was mainly used for motor vehicles and computer software. As at 31 December 2025, the capital commitments of the Group amounted to HK\$103,949,000 (2024: HK\$102,346,000), which were contracted but not provided for in the financial statements.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Financial Review (continued)

#### Charge on the Group's assets

As at 31 December 2025, the Group pledged investment properties, buildings and right-of-use assets in Hong Kong and Changzhou with net book values of HK\$220,100,000, HK\$175,527,000 and HK\$13,858,000, respectively, to bank to finance loans. In addition, the Group pledged buildings in Shenzhen with a net book value of HK\$1,248,000 to bank to finance loans.

#### Capital structure

As at 31 December 2025, the total issued share capital of the Company was HK\$4,224,000 (2024: HK\$4,224,000), comprising 422,416,638 (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 Year, 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 31 December 2025, bank guarantees given in lieu of the Group's property rental deposits and utility deposits amounted to HK\$646,000 (2024: HK\$646,000). Save as disclosed above, the Group had no other significant contingent liabilities, nor any litigation or arbitration of material importance.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### PROSPECT

Looking ahead to 2026, the global economy is expected to maintain modest growth, while China's economy enters a critical transformation phase. Despite ongoing government efforts to promote technological innovation and industrial upgrading, the overall slowdown in growth is unlikely to reverse in the short term. Future economic development will increasingly depend on the tangible outcomes of domestic demand expansion and structural reforms. However, as 2026 marks the opening year of the 15th Five-Year Plan, the continuation of more proactive fiscal policies and moderately accommodative monetary policies will provide strong support for economic growth, and China's economy is expected to sustain its momentum of gradual improvement.

Supported by favourable policies, the domestic consumer market is expected to maintain moderate growth momentum. However, overall demand growth will remain sluggish due to weak consumer confidence, deflationary pressures, and spillover effects from the real estate sector's adjustment. Therefore, the Group adopts a prudent outlook towards the underwear industry and maintains a conservative outlook towards the overall economic landscape in the Chinese Mainland in 2026. The Group will closely monitor policy developments, capitalise on emerging policy benefits, gain precise insights into consumer trends, seize structural opportunities in the new normal through product innovation, channel innovation, technological innovation, and supply chain optimisation to strengthen resilience amid a complex and volatile economic environment.

China's consumption landscape has evolved from the previous phase of "consumption upgrading" to a new stage of "consumption stratification", with consumers demonstrating greater rationality and an increased emphasis on value for money. Moving forward, the Group will continue to closely monitor market trends and proactively respond to consumers' comprehensive demands for high quality, multi-functionality, stylish design, and green sustainable consumption, through multi-faceted initiatives in product design, production technology, marketing strategies and sales channels. In 2026, the Group will further increase investment in the research and development of online-exclusive products to better align with market demands. Concurrently, it will deepen strategic collaborations with low-carbon and eco-friendly material suppliers to comprehensively advance the development and upgrading of its green product system. Upholding a consumer-oriented approach, the Group will persistently elevate the core competitiveness of its products. Leveraging its long-established brand influence and deep market expertise in China's lingerie industry, the Group is confident in its ability to navigate current economic changes with agility and consolidate its leading position within the sector.

## **MANAGEMENT DISCUSSION AND ANALYSIS** (continued)

### **PROSPECT** (continued)

As consumer demands become increasingly diversified and personalised, the underwear market is expected to evolve further into more specialised niche segments in 2026. To this end, the Group will continue implementing its multi-brand strategy, precisely targeting various market segments, dynamically optimising its offline store network to enhance operational efficiency, and continuously expanding its online sales channels. The Group will also strengthen social media engagement and content marketing to improve the quality of online communication, drive more effective traffic conversion, and fully capture growth opportunities on e-commerce platforms to boost online sales. By advancing its youth-oriented spokesperson brand strategy, the Group will broaden its brand reach and fuel sales growth. In terms of supply chain, the Group will further leverage the advantages of its integrated self-production and self-distribution model. Supported by intelligent warehousing and logistics systems, it will enhance production efficiency and order responsiveness while continuously optimising supply chain management capabilities, enabling more agile and efficient responses to market demand fluctuations.

Upholding its commitment to quality, the Group will continue adopting a flexible and effective multi-brand strategy to navigate ever-changing market dynamics and strive to create long-term value for shareholders through prudent and effective resource allocation.

## **OTHER INFORMATION**

### **FINAL DIVIDEND**

On 27 March 2026, the Board resolved not to declare the payment of a final dividend for the year ended 31 December 2025.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on 28 May 2026 ("AGM"), the register of members of the Company will be closed from Thursday, 21 May 2026 to Thursday, 28 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. The record date will be Thursday, 28 May 2026. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 20 May 2026.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 31 December 2025.

As at 31 December 2025, there were no treasury shares held by the Company.

### **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company complied with the applicable code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the accounting period covered by the 2025 annual report.

### **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules as its own code of conduct for Directors' and employees' securities transactions ("Securities Dealing Code"). Having made specific enquiries of all the Directors and members of the senior management, they have confirmed their compliance with the required standard set out in the Securities Dealing Code during the year.

### **AUDIT COMMITTEE**

The audit committee of the Company has reviewed the consolidated results of the Group for the year ended 31 December 2025. The audit committee is composed of three independent non-executive Directors of the Company, namely Mr. Lau Siu Ki, Mr. Chan Chi On and Prof. Lee T.S. The chairman of the audit committee has appropriate professional qualifications and experience in financial matters.

### **REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary results announcement have been agreed by the Company's independent auditor, Ernst & Young, Certified Public Accountants of Hong Kong ("Ernst & Young") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young 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 Ernst & Young on the preliminary results announcement.

**OTHER INFORMATION** (continued)

**PUBLICATION OF 2025 ANNUAL REPORT**

The 2025 annual report of the Company containing all the information required by the Listing Rules will be published on the websites of the Company at <http://www.embrygroup.com> and Hong Kong Exchanges and Clearing Limited at <https://www.hkexnews.hk/> in due course.

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

Hong Kong, 27 March 2026

*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.*