



EMBRY HOLDINGS LIMITED 安莉芳控股有限公司

Incorporated in the Cayman Islands with limited liability
Stock Code : 1388

Striving For
Excellence
追求卓越

2024 INTERIM REPORT



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Corporate Information

Directors and Board Committees

Directors

Executive Directors

NGOK Ming Chu (Chairman)

CHENG Pik Ho Liza (Chief Executive Officer)

CHENG Chuen Chuen

LU Qun

Independent Non-Executive Directors

CHAN Chi On (alias, Derek Chan)

LAU Siu Ki (alias, Kevin Lau)

LEE Kwan Hung (alias, Eddie Lee)

LEE T. S. (alias, Lee Tien-sheng)

Board Committees

Audit Committee

LAU Siu Ki (alias, Kevin Lau) (Chairman)

CHAN Chi On (alias, Derek Chan)

LEE T. S. (alias, Lee Tien-sheng)

Remuneration Committee

LEE Kwan Hung (alias, Eddie Lee) (Chairman)

CHENG Pik Ho Liza

LAU Siu Ki (alias, Kevin Lau)

LEE T. S. (alias, Lee Tien-sheng)

Nomination Committee

LEE T. S. (alias, Lee Tien-sheng) (Chairman)

CHENG Pik Ho Liza

LAU Siu Ki (alias, Kevin Lau)

LEE Kwan Hung (alias, Eddie Lee)

Compliance Officer

CHUNG King Yeung

Company Secretary

SO Ka Man

Registered Office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Head Office and Principal Place of Business

7th Floor, Wyler Centre II

200 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

Principal Bankers

Hang Seng Bank Limited

Hang Seng Bank (China) Limited

Nanyang Commercial Bank, Limited

The Hongkong and Shanghai Banking

Corporation Limited

HSBC Bank (China) Company Limited

Bank of China Limited

China Construction Bank Corporation

China Merchants Bank Co., Ltd.

Legal Advisers

As to Hong Kong law:

Chiu & Partners

As to PRC law:

GFE Law Office

Grandall Law Firm (Jinan)

Zhong Lun Law Firm

Auditor

Ernst & Young

Certified Public Accountants and

Registered Public Interest Entity Auditor

Share Registrars

Principal Share Registrar and Transfer Office in the Cayman Islands

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D

P.O. Box 1586

Gardenia Court

Camana Bay

Grand Cayman KY1-1100

Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Investor Relations

iPR Ogilvy Limited

Website

www.embrygroup.com

Stock Code

1388

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 2024 together with the unaudited comparative figures for the corresponding period in 2023 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 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
REVENUE	3	631,392	709,590
Cost of sales		(153,068)	(181,328)
Gross profit		478,324	528,262
Other income and gains, net	4	9,824	9,817
Selling and distribution expenses		(422,004)	(440,544)
Administrative expenses		(80,196)	(84,757)
Changes in fair value of investment properties		(43,674)	–
Impairment of other asset		(22,065)	–
Reversal of impairment/(impairment) of right-of-use assets		(8,737)	1,140
Other expenses	5	(1,495)	(571)
Finance costs	6	(9,246)	(9,291)
PROFIT/(LOSS) BEFORE TAX	7	(99,269)	4,056
Income tax credit	8	17,034	1,311
PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(82,235)	5,367
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	10		
— Basic (HK cents)		(19.47)	1.27
— Diluted (HK cents)		(19.47)	1.27

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
PROFIT/(LOSS) FOR THE PERIOD	(82,235)	5,367
OTHER COMPREHENSIVE EXPENSE		
<i>Other comprehensive expense that may be reclassified to the income statement in subsequent periods:</i>		
Exchange differences arising on translation of foreign operations	(45,817)	(98,784)
<i>Other comprehensive income/(expense) that will not be reclassified to the income statement in subsequent periods:</i>		
Revaluation surplus	3,341	–
Deferred tax debited to asset revaluation reserve	(835)	–
Net other comprehensive income that will not be reclassified to the income statement in subsequent periods	2,506	–
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD, NET OF TAX	(43,311)	(98,784)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	(125,546)	(93,417)

Condensed Consolidated Statement of Financial Position

30 June 2024

	Notes	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	766,864	814,841
Investment properties		502,938	530,947
Right-of-use assets		115,545	147,315
Other asset		363,548	393,846
Deferred tax assets		107,358	98,499
Deposits and other receivables		17,345	17,512
Total non-current assets		1,873,598	2,002,960
CURRENT ASSETS			
Inventories		471,605	473,964
Trade receivables	12	53,739	45,204
Prepayments, deposits and other receivables		57,681	56,546
Tax recoverable		224	183
Cash and cash equivalents		227,835	283,610
Total current assets		811,084	859,507
CURRENT LIABILITIES			
Trade and bills payable	13	80,091	69,124
Interest-bearing bank borrowings	14	114,246	93,556
Lease liabilities		26,912	32,627
Other payables and accruals	15	143,694	163,703
Total current liabilities		364,943	359,010
NET CURRENT ASSETS		446,141	500,497
TOTAL ASSETS LESS CURRENT LIABILITIES		2,319,739	2,503,457

Condensed Consolidated Statement of Financial Position *(continued)*

30 June 2024

	<i>Notes</i>	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	14	153,249	194,756
Lease liabilities		14,869	21,394
Deferred tax liabilities		116,531	126,671
Other payables	15	2,254	2,254
Total non-current liabilities		286,903	345,075
NET ASSETS		2,032,836	2,158,382
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,224	4,224
Reserves		2,028,612	2,154,158
TOTAL EQUITY		2,032,836	2,158,382

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Attributable to owners of the Company										
	Reserves										Total equity HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Asset revaluation reserve HK\$'000	Enterprise statutory reserve funds HK\$'000	Share option reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Goodwill reserve HK\$'000	Retained profits HK\$'000	Total reserves HK\$'000	
At 1 January 2024 (audited)											
Loss for the period	-	-	-	-	-	-	-	-	(82,235)	(82,235)	(82,235)
Revaluation surplus	-	-	-	3,341	-	-	-	-	-	3,341	3,341
Deferred tax debited to asset revaluation reserve	-	-	-	(835)	-	-	-	-	-	(835)	(835)
Exchange differences related to foreign operations	-	-	-	-	-	-	(45,817)	-	-	(45,817)	(45,817)
Total comprehensive income/(expense) for the period	-	-	-	2,506	-	-	(45,817)	-	(82,235)	(125,546)	(125,546)
Share option lapsed	-	-	-	-	-	(13)	-	-	13	-	-
At 30 June 2024 (unaudited)	4,224	386,512	122,610	45,320	192,154	3,380	(178,306)	(3,168)	1,460,110	2,028,612	2,032,836

Condensed Consolidated Statement of Changes in Equity (continued)

For the six months ended 30 June 2023

	Attributable to owners of the Company										
	Reserves										
	Share capital	Share premium account	Contributed surplus	Asset revaluation reserve	Enterprise statutory reserve funds	Share option reserve	Exchange fluctuation reserve	Goodwill reserve	Retained profits	Total reserves	Total equity
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2023 (audited)	4,224	386,512	122,610	35,593	192,154	3,055	(83,073)	(3,168)	1,614,425	2,268,108	2,272,332
Profit for the period	-	-	-	-	-	-	-	-	5,367	5,367	5,367
Exchange differences related to foreign operations	-	-	-	-	-	-	(98,784)	-	-	(98,784)	(98,784)
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	(98,784)	-	5,367	(93,417)	(93,417)
Share options lapsed	-	-	-	-	-	(35)	-	-	35	-	-
Equity-settled share option arrangements	-	-	-	-	-	211	-	-	-	211	211
At 30 June 2023 (unaudited)	4,224	386,512	122,610	35,593	192,154	3,231	(181,857)	(3,168)	1,619,827	2,174,902	2,179,126

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
NET CASH FLOWS FROM OPERATING ACTIVITIES	9,161	90,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,415	2,763
Purchase of items of property, plant and equipment	(5,615)	(20,716)
Increase in right-of-use assets	(120)	(300)
Decrease in non-pledged time deposits with original maturity period over three months	–	6,282
Net cash flows used in investing activities	(4,320)	(11,971)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(19,919)	(12,959)
Principal portion of lease payments	(19,997)	(22,613)
Interest paid	(9,246)	(9,291)
Net cash flows used in financing activities	(49,162)	(44,863)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(44,321)	34,142
Cash and cash equivalents at beginning of period	283,610	373,896
Effect of foreign exchange rate changes, net	(11,454)	(21,945)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	227,835	386,093
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	149,852	181,112
Non-pledged time deposits with original maturity of less than three months when acquired	77,983	204,981
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	227,835	386,093

Notes to the Condensed Consolidated Financial Statements

1. Corporate Information

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 August 2006 under the Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company is located at 7th Floor, Wyler Centre II, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

2.1 Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2024 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 2023.

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.

2.2 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 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards had no material impact on the results and financial position for the current or prior accounting periods which have been prepared and presented.

Notes to the Condensed Consolidated Financial Statements *(continued)*

3. Revenue and Segment Information

An analysis of revenue is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<i>Revenue from contracts with customers</i>		
Sales of goods	631,392	709,590

Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Business activities		
Concessionary counters	338,899	419,095
Retail stores	54,420	63,636
Internet and wholesale	235,548	225,098
Original design manufacturer ("ODM")	2,525	1,761
Total revenue from contracts with customers	631,392	709,590

Notes to the Condensed Consolidated Financial Statements (continued)

3. Revenue and Segment Information (continued)

Disaggregated revenue information for revenue from contracts with customers (continued)

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Brands		
Embry Form	385,168	381,932
Others	243,699	325,897
ODM products	2,525	1,761
Total revenue from contracts with customers	631,392	709,590
Products		
Lingerie	547,859	612,239
Sleepwear	62,415	73,804
Swimwear	9,300	14,206
ODM products	2,525	1,761
Other products	9,293	7,580
Total revenue from contracts with customers	631,392	709,590
Geographical markets		
Chinese Mainland	611,286	686,772
Hong Kong	17,581	21,057
Others	2,525	1,761
Total revenue from contracts with customers	631,392	709,590

Notes to the Condensed Consolidated Financial Statements *(continued)*

4. Other Income and Gains, Net

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Other income		
Subsidy income*	207	6,055
Gross rental income from investment properties operating leases:		
Other lease payments, including fixed payments	7,964	8,966
Variable lease payments that do not depend on an index or a rate	312	339
Bank interest income	1,415	2,763
Gain on termination of leases	66	183
Others	4,558	2,335
Subtotal	14,522	20,641
Gains/(losses), net		
Foreign exchange differences, net	(4,698)	(10,824)
Total	9,824	9,817

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

Notes to the Condensed Consolidated Financial Statements (continued)

5. Other Expenses

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Loss on disposal/write-off of items of property, plant and equipment, net	16	135
Termination benefits	1,479	436
Total	1,495	571

6. Finance Costs

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Interest on interest-bearing bank borrowings	8,028	8,079
Interest on lease liabilities	1,218	1,212
Total	9,246	9,291

Notes to the Condensed Consolidated Financial Statements (continued)

7. Profit/(loss) Before Tax

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

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Cost of inventories sold	153,068	181,328
Depreciation of property, plant and equipment	26,398	31,535
Depreciation of right-of-use assets	18,027	11,573
Write-back of impairment of trade receivables	(296)	(3,300)
Lease payment not included in the measurement of lease liabilities	112,897	130,590
Advertising and counter decoration expenses	68,875	47,561
Write-back/write-off of provision for obsolete inventories, net	(12,885)	(16,949)
Impairment/(reversal of impairment) of right-of-use assets*	8,737	(1,140)
Gain on termination of leases	(66)	(183)

* During the period ended 30 June 2024, the impairment loss of HK\$8,737,000 (2023: reversal of impairment loss of HK\$1,140,000) represented the write-down (2023: write-up) of the carrying amount of right-of-use assets for certain underperforming stores to their recoverable amounts. The estimated recoverable amounts as at 30 June 2024 were determined based on their value in use amounts estimated by using a discount rate of 12.6% (2023: 12.6%).

8. 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 period (2023: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the regions in which the Group operates.

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current — Chinese Mainland	—	136
Deferred tax credit	(17,034)	(1,447)
Total tax credit for the period	(17,034)	(1,311)

Notes to the Condensed Consolidated Financial Statements (continued)

9. Related Party Transactions

- (a) In addition to the transactions detailed elsewhere in these condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

	Notes	Six months ended 30 June	
		2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Continuing transactions			
Purchases of furniture and decoration services for counters and shops as well as different types of moulds from related companies	(i)	2,626	4,612
Rental expenses for a warehouse charged by a director of the Company	(ii)	168	168
Consultancy fee to a substantial shareholder of the Company	(iii)	1,440	687

Notes:

- (i) The purchases of furniture and decoration services for counters and shops as well as different types of moulds from 多思維五金塑料製品(深圳)有限公司 (Duosiwei Metal & Plastic Products (Shenzhen) Co., Ltd.) ("Shenzhen Duosiwei"), a related company controlled by Mr. Cheng Chuen Chuen, an executive director of the Company, and 尚悅實業(深圳)有限公司 (Shangyue Industry (Shenzhen) Co., Ltd.), a related company controlled by close family members of Mr. Cheng Chuen Chuen, were made according to the terms similar to those offered by the Group's independent suppliers. Mr. Cheng Chuen Chuen completed the disposal of his entire interests in Shenzhen Duosiwei on 17 May 2024 and Shenzhen Duosiwei ceased to be a related company of the Company. The balances owed to related companies as at 30 June 2024 were HK\$67,000 (31 December 2023: HK\$3,696,000) and were unsecured, interest-free and repayable in accordance with normal trading terms. The amounts have been included in other payables and accruals as at the end of the reporting period.

Notes to the Condensed Consolidated Financial Statements *(continued)*

9. Related Party Transactions *(continued)*

(a) *(continued)*

Notes: *(continued)*

- (ii) The rental expenses were charged by Madam Ngok Ming Chu, an executive director of the Company, and determined with reference to the then prevailing market conditions.
- (iii) The late Mr. Cheng Man Tai had been engaged as the consultant of the Company for a term of one year with effect from 1 February 2024 (2023: a term of one year with effect from 1 February 2023). The terms of consultancy fee were based on a consultancy agreement entered into between the Company and the late Mr. Cheng Man Tai.

Mr. Cheng Man Tai passed away and ceased to be the consultant on 19 June 2024.

The above continuing transactions constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

The directors are of the opinion that the above transactions were conducted in the ordinary course of business of the Group.

(b) Compensation of key management personnel of the Group:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Short-term employee benefits	5,845	6,595
Post-employment benefits	146	148
Total compensation paid to key management personnel	5,991	6,743

Notes to the Condensed Consolidated Financial Statements (continued)

10. Earnings/(loss) Per Share Attributable to Owners of the Company

The calculation of the basic earnings/(loss) per share is based on the following data:

	Six months ended 30 June	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Earnings/(loss)		
Earnings/(loss) for the purpose of basic earnings/(loss) per share	(82,235)	5,367
	Number of shares Six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Shares		
Number of ordinary shares of the Company in issue, used in the basic earnings/(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 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.

No adjustment has been made to the basic earnings per share amount presented for the period ended 30 June 2023 in respect of a dilution as the impact of the share options has no dilutive effect on the basic earning per share amount presented.

Notes to the Condensed Consolidated Financial Statements (continued)

11. Property, Plant and Equipment

	Six months ended 30 June 2024 HK\$'000 (unaudited)	Year ended 31 December 2023 HK\$'000 (audited)
At beginning of period/year, net carrying amount	814,841	895,058
Additions	5,615	27,660
Disposals/write-off	(23)	(219)
Depreciation provided during the period/year	(26,398)	(61,062)
Transfer to investment properties (note)	(10,113)	(27,669)
Exchange realignment	(17,058)	(18,927)
At end of period/year, net carrying amount	766,864	814,841

Note: During the period ended 30 June 2024, the Group rented out certain floors of its occupied properties to an independent third party for rental income. At the date of change in use, this property became investment property. Upon the transfer from property, plant and equipment of HK\$10,113,000 and corresponding right-of-use land of HK\$11,546,000 to investment properties, this property was revalued at HK\$25,000,000 with a revaluation surplus of HK\$3,341,000 credited to the asset revaluation reserve.

12. Trade Receivables

The Group's trading terms with its customers are mainly on credit, except for wholesalers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. The Group seeks to maintain strict control over its outstanding receivables by the sales department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Notes to the Condensed Consolidated Financial Statements (continued)

12. Trade Receivables (continued)

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 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within 90 days	50,931	43,197
91 to 180 days	2,548	1,746
181 to 360 days	537	295
Over 360 days	3,660	4,199
	57,676	49,437
Less: Impairment allowance	(3,937)	(4,233)
Total	53,739	45,204

13. Trade and Bills Payable

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

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Within 90 days	76,794	66,388
91 to 180 days	1,499	300
181 to 360 days	737	453
Over 360 days	1,061	1,983
Total	80,091	69,124

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

Notes to the Condensed Consolidated Financial Statements (continued)

14. Interest-Bearing Bank Borrowings

	30 June 2024			31 December 2023		
	Effective interest rate %	Maturity	HK\$'000 (unaudited)	Effective interest rate %	Maturity	HK\$'000 (audited)
Current						
Bank loans — secured	Hong Kong Interbank Offered Rate (“HIBOR”) + 1.45	2024–2025	73,386	HIBOR+1.45	2024	51,798
Bank loans — unsecured	3.50	2024	40,860	3.5	2024	41,758
Subtotal			114,246			93,556
Non-current						
Bank loans — secured	HIBOR+1.45	2025–2026	153,249	HIBOR+1.45	2025–2026	194,756
Total			267,495			288,312

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	114,246	93,556
In the second year	153,249	81,985
In the third to fifth years, inclusive	—	112,771
Total	267,495	288,312
Less: Amount classified as current portion	(114,246)	(93,556)
Amount classified as non-current portion	153,249	194,756

The above bank loans amounting to HK\$226,635,000 (2023: HK\$246,554,000) and HK\$40,860,000 (2023: HK\$41,758,000) are denominated in Hong Kong dollars and Renminbi, respectively.

Notes to the Condensed Consolidated Financial Statements *(continued)*

15. Other Payables and Accruals

	<i>Notes</i>	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Other payables	<i>(a)</i>	51,787	54,709
Accruals		83,688	100,397
Contract liabilities	<i>(b)</i>	10,473	10,851
Total		145,948	165,957
Less: Amount classified as current portion		(143,694)	(163,703)
Amount classified as non-current portion		2,254	2,254

Notes:

- (a) Other payables are non-interest-bearing.
- (b) The contract liabilities represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period. The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the Group transfers goods to the customer.

As at 30 June 2024 and 31 December 2023, the contract liabilities included deferred revenue arising from the loyalty points VIP programme of the Group and short-term advances received from customers for the sale of goods.

Notes to the Condensed Consolidated Financial Statements (continued)

16. Share Option Scheme

The Company adopted a share option scheme on 28 May 2020 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group. Details of the scheme are disclosed in the annual financial statements for the year ended 31 December 2023.

Set out below are the outstanding share options under the Share Option Scheme as at 30 June 2024:

Name or category of participant	Number of share options					At 30 June 2024 (unaudited)	Date of grant of share options	Exercise period of share options	HK\$ per share
	At 1 January 2024 (audited)	Granted during the period	Lapsed during the period	Cancelled during the period	Exercised during the period				
Executive directors									
Madam Ngok Ming Chu	1,300,000	-	-	-	-	1,300,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Ms. Cheng Pik Ho Liza	1,220,000	-	-	-	-	1,220,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Mr. Cheng Chuen Chuen	295,000	-	-	-	-	295,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Ms. Lu Qun	665,000	-	-	-	-	665,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾ 30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Independent non-executive directors									
Mr. Lau Siu Ki	100,000	-	-	-	-	100,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Mr. Lee Kwan Hung	100,000	-	-	-	-	100,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Prof. Lee T. S.	100,000	-	-	-	-	100,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Substantial shareholder and his associate									
Mr. Cheng Man Tai ⁽²⁾ (deceased)	1,430,000	-	-	-	-	1,430,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Ms. Cheng Tsz Kwan ⁽³⁾	185,000	-	-	-	-	185,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
Other employees									
In aggregate	12,060,000	-	(70,000)	-	-	11,990,000	30 December 2020	30 December 2021 to 29 December 2025 ⁽¹⁾	1.02
	17,455,000	-	(70,000)	-	-	17,385,000			

Notes to the Condensed Consolidated Financial Statements (continued)

16. Share Option Scheme (continued)

Notes:

- (1) Share options granted under the Share Option Scheme shall vest in the grantees in accordance with the timetable below:
 - 30% of such options were vested on 30 December 2021 with an exercise period from 30 December 2021 to 29 December 2025;
 - 30% of such options were vested on 30 December 2022 with an exercise period from 30 December 2022 to 29 December 2025; and
 - the remaining 40% of such options were vested on 30 December 2023 with an exercise period from 30 December 2023 to 29 December 2025.
- (2) The late Mr. Cheng Man Tai had been the consultant of the Company and the spouse of Madam Ngok Ming Chu.

According to the rules of the Share Option Scheme, in the event that the grantee ceases to be a participant by reason of death, the legal personal representative(s) of this grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the option (to the extent which has become exercisable and not already exercised).

- (3) Ms. Cheng Tsz Kwan is the Senior Sales and Marketing Manager and granddaughter of the late Mr. Cheng Man Tai and Madam Ngok Ming Chu.

17. Commitments

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

	30 June 2024 HK\$'000 (unaudited)	31 December 2023 HK\$'000 (audited)
Contracted for commitments in respect of the acquisition of property, plant and equipment	106,629	105,725

18. Approval of the Condensed Consolidated Financial Statements

The condensed consolidated financial statements were approved and authorised for issue by the Board on 28 August 2024.

Management Discussion and Analysis

Business and Operations Review

In the first half of 2024, China's overall economy showed a steady trend of progress, but still faced challenges such as complicated external politics, divergent global monetary policies, insufficient effective demand in the domestic market, and weak social expectations. According to the National Bureau of Statistics, the country's gross domestic product (GDP) in the first half of 2024 grew by 5.0% year on year, while the GDP growth decreased from 5.3% in the first quarter to 4.7% in the second quarter, falling short of market expectations and reflecting the increasing difficulties and challenges in the current economic environment.

Despite the resilience shown by the China's economy in the first half of the year, the weak recovery trend continued. The sluggish real estate market and the unsatisfactory employment situation dampened consumer confidence, suppressing domestic demand and slowing household consumption expenditure growth. In the first half of 2024, the total retail sales of consumer goods grew by 3.7% year on year, lower than the GDP growth rate. Retail sales of commodities increased by 3.2% year on year. By retail format, the retail sales of department stores and branded stores fell by 3.0% and 1.8%, respectively, which further reflected the slow recovery of consumption demand. In a weak recovery environment, the importance of price in consumer decision-making increased significantly. Residents' income and consumption capacity were under slow recovery, and consumer behaviour was gradually evolving towards a trend of rational consumption focused on low-priced practicality. The overall consumer market sentiment was cautious, and the business environment for sub-essential underwear retails was challenging.

For the six months ended 30 June 2024 (the "Current Period"), the Group's revenue decreased by 11.0% to HK\$631,392,000 from that for the six months ended 30 June 2023 (the "Prior Period"). Gross profit margin increased by 1.3 percentage points to 75.8% year on year. 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\$74,476,000, the Company recorded a loss attributable to owners of approximately HK\$82,235,000 (2023: a profit of HK\$5,367,000). Loss per share amounted to HK19.47 cents (2023: earnings per share of HK1.27 cents).

Management Discussion and Analysis (continued)

Business and Operations Review (continued)

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 2024, 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 expanded market share while consolidating its flagship brand, **EMBRY FORM**, which contributed the majority of sales.

In terms of brand promotion, the Group adapted to market trends by adhering to a multi-channel and multimedia promotion strategy in the first half of the year, allocating resources in a timely manner and focusing on the operation of social media channels. The Group emphasised the use of celebrity endorsements, aiming to achieve continuous brand exposure across multiple mainstream social media platforms through celebrity effects. This enhanced brand reputation, attracted new customers, and increased the loyalty among existing ones, effectively boosting **EMBRY FORM**'s sales.

The domestic e-commerce industry continued its positive trend in the first half of 2024, with online consumption steadily increasing. E-commerce platforms returned to focusing on user experience, further amplifying advantages in price and service, driving a continuous growth in online penetration rates. The Group responded to market trends by focusing on strengthening the operations of e-commerce platforms, placing corresponding recommended advertisements on the platforms to achieve brand exposure. The Group also leveraged social media platforms to promote its brands, followed the website traffic trends, strengthened the development of underwear styles exclusively for e-commerce 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, the Group's overall e-commerce sales increased by 6.8% year on year, delivering a satisfactory performance.

Management Discussion and Analysis (continued)

Business and Operations Review (continued)

Brand management (continued)

Under the guidance of China's strategy of attaining the goals of "carbon peaking" and "carbon neutrality", the Group held the 22nd Eco Month event during the Current Period, promoting energy conservation and emission reduction initiatives through practical actions. Upholding the brand concepts of "green low carbon" and "sustainability", the Group launched the "Butterfly Habitat (蝶之棲息地)" conservation campaign, which included hosting art pop-up stores and offline clothing trade-in in large shopping malls and department stores in various cities, leveraging resources from the spokesperson and internet celebrities to expand outreach, encouraging consumers to reduce carbon emissions while conveying the brand's green and healthy aesthetics. In addition, the Group expressed the brand's commitment to environmental development through Eco Month activities, calling on the public to pay attention to environmental issues and participate in related actions to achieve sustainable development.

Sales network

In the first half of 2024, the Group further optimised and improved its sales network. As of 30 June 2024, the Group had a total of 907 retail outlets, including 757 concessionary counters and 150 retail stores. This represents a net decrease of 100 retail outlets compared to the end of December 2023. To enhance the overall operational efficiency of its sales network, the Group seized the opportunity of online sales, and actively explored and developed the online shopping market. The Group strategically adjusted its store network and balanced its online and offline sales channel to achieve optimal coverage.

During the Current Period, the Group continued to operate online mirror stores with product information synchronised with physical retail stores. This strategy created a synergistic relationship between online and offline channels to drive traffic, eliminated competition between them, and provided a convenient alternative shopping option to customers. This closed loop of operation also helped optimise store inventory deployment and management.

Management Discussion and Analysis (continued)

Business and Operations Review (continued)

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 appropriate 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. Meanwhile, the Group has continued to improve its production technology, striving to improve production efficiency and operational efficiency of its supply chain in order to maintain its leading position in the highly competitive market.

During the Current Period, the Group launched a full range of popular new collections, including, **EMBRY FORM's** "GREEN EMBRY" and "Spring Traces (春日蹤跡)"; **FANDECIE's** "Sweet Summer (甜美夏日)"; **COMFIT's** "Artistic Mirage (藝術幻影)" and "Minimalist Lines (簡約線條)"; **LIZA CHENG's** "Lace Geometry (蕾絲幾何)" and "Midsummer Dream (仲夏之夢)"; **E-BRA's** "Soft Seamless (柔感無痕)" and "Full Body Shaping (豐盈美型)"; **IADORE's** "Elegant Ripples (沁雅微瀾)" and "Fragrant Grass (芳草幽幽)"; **IVU's** "Fortune Series (福運系列)".

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 new collections during the Current Period, with bio-based, environmentally friendly materials used for underwear shoulder straps, as well as zero-carbon fabrics and bamboo fibers. These materials decreased the use of the byproducts from petroleum refining. This indirectly helped reduce carbon dioxide emissions associated with the refining process. The product series also demonstrated the Group's commitment to low-carbon, environmental practices.

In the first half of 2024, the Group obtained one invention patent, five utility model patents and seven appearance design patents in China. As of 30 June 2024, the Group has a total of 135 patents, including 13 invention patents, 81 utility model patents and 41 appearance design patents.

Management Discussion and Analysis (continued)

Business and Operations Review (continued)

Production capacity

The Group operates its own production bases in Jinan, Shandong Province, and Changzhou, Jiangsu Province, with the Shandong plant equipped with intelligent warehouses. The Group carefully analysed sales data and market trends to adjust production volume, maximising production efficiency and 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 further 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. The Group 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 of 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, so as to mitigate the overall cost increase pressure and improve operational efficiency

As of 30 June 2024, the total number of employees of the Group was 4,157 (31 December 2023: 4,390). 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\$210,021,000 (2023: HK\$228,523,000).

Management Discussion and Analysis (continued)

Financial Review

Revenue

Due to weak domestic consumer sentiment, revenue for the Current Period was HK\$631,392,000, representing a decrease of 11.0% from the Prior Period, and the Group's revenue from Chinese Mainland market decreased by approximately 6.9% year on year at constant exchange rates.

During the Current Period, revenue from retail sales was HK\$393,319,000, representing a decrease of 18.5% from the Prior Period, accounting for 62.3% of the Group's total revenue. The Group recorded a satisfactory growth in e-commerce sales, which increased by 6.8% year on year to HK\$220,159,000 in the first half of 2024, with its contribution to total revenue increased from 29.0% in the same period last year to 34.9%. The increase was primarily driven by the Group's enhanced e-commerce operations and improved supply chain management. These improvements enabled the Group to rapidly fulfil online orders, attracting and retaining customers effectively, which resulted in revenue growth from internet sales.

The Chinese Mainland market is the main source of income for the Group. During the Current Period, revenue from the mainland market was HK\$611,286,000, accounting for 96.8% 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 61.0%. Revenue from **EMBRY FORM** amounted to HK\$385,168,000, slightly up by 0.8% 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\$243,699,000, accounting for 38.6% 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\$547,859,000, representing 86.8% of the revenue of the Group. Sales of sleepwear amounted to HK\$62,415,000, accounting for 9.9% of the revenue of the Group, while sales of swimwear amounted to HK\$9,300,000, accounting for 1.5% of the revenue of the Group.

Management Discussion and Analysis (continued)

Financial Review (continued)

Gross profit

During the Current Period, the Group recorded a gross profit of approximately HK\$478,324,000, representing a decrease of 9.5% from the Prior Period. It was mainly attributed to the decrease of approximately 11.0% in the Group's revenue as compared to the same period last year. Under stringent production cost control, the overall gross profit margin increased by 1.3 percentage points year on year to 75.8%.

Operating expenses

During the Current Period, the selling and distribution expenses decreased by 4.2% year on year to HK\$422,004,000 (2023: HK\$440,544,000), accounting for 66.8% (2023: 62.1%) 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. Nevertheless, the Group has allocated more resources in sales and marketing during the Current Period, namely by 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. In addition, the ratio of the selling and distribution expenses to the overall sales increased during the Current Period due to the lower sales.

Administrative expenses amounted to HK\$80,196,000 (2023: HK\$84,757,000), representing a decrease of 5.4% as compared to the same period last year, accounting for 12.7% (2023: 11.9%) of the Group's revenue.

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

The sluggish property market in Chinese Mainland and Hong Kong has resulted in (i) a decrease of approximately HK\$43,674,000 in total in the fair value of the Group's investment properties in Shanghai and Changzhou, China and Hong Kong; and (ii) an impairment of approximately HK\$22,065,000 recorded for the other asset in Shenzhen, China (the right to receive the new properties under a relocation arrangement in 2017).

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 counters of approximately HK\$8,737,000 (2023: reversal of impairment of HK\$1,140,000). Other expenses amounted to HK\$1,495,000, representing an increase of HK\$924,000 from the Prior Period. The increase was mainly due to the one-off severance payment of approximately HK\$1,479,000 (2023: HK\$436,000) as a result of streamlining structure.

Loss

During the Current Period, loss attributable to owners of the Company was HK\$82,235,000 (2023: profits of HK\$5,367,000), mainly attributable to the above-mentioned non-recurring, unrealised, and non-cash items.

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 of 30 June 2024, the Group's cash and cash equivalents amounted to approximately HK\$227,835,000 (31 December 2023: HK\$283,610,000). As of 30 June 2024, the Group's interest-bearing bank borrowings amounted to HK\$267,495,000 (31 December 2023: HK\$288,312,000). As of 30 June 2024, equity attributable to owners of the Company was HK\$2,032,836,000 (31 December 2023: HK\$2,158,382,000); the gearing ratio of the Group was approximately 13.2% (31 December 2023: 13.4%).

Capital expenditure

During the Current Period, the capital expenditure of the Group amounted to HK\$5,615,000 (2023: HK\$20,716,000), which was mainly used for the external waterproof renovation at the plant in Shandong. As of 30 June 2024, the capital commitments of the Group amounted to HK\$106,629,000 (31 December 2023: HK\$105,725,000), which were contracted but not provided for in the financial statements.

Charge on the Group's assets

As of 30 June 2024, the Group pledged Hong Kong investment properties, buildings and right-of-use assets with net book values of HK\$83,000,000, HK\$2,361,000 and HK\$11,036,000, respectively, to bank to finance loans.

Management Discussion and Analysis (continued)

Financial Review (continued)

Capital structure

As of 30 June 2024, the total issued share capital of the Company was HK\$4,224,000 (31 December 2023: HK\$4,224,000), comprising 422,416,638 (31 December 2023: 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 of 30 June 2024, bank guarantees given in lieu of the Group's property rental deposits and utility deposits amounted to HK\$646,000 (31 December 2023: 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, there are increasing uncertainties in the external environment and significant challenges remain domestically. However, the Chinese government launched a series of policies in the first half of the year to boost the real estate market and stimulate domestic demand. These policies are expected to gradually be implemented in the second half of the year, accelerating consumption growth from a low base. It is likely that China's economy will remain stable and consumer trends will show modest growth. Nevertheless, market uncertainties may increase. As rationality and pragmatism become the mainstream consumer mindset, and consumers remain cautious in the short term, the growth rate of the sub-essential underwear market is expected to be slower than that of the overall market.

Management Discussion and Analysis (continued)

Prospect (continued)

However, the Group is confident that its years of experience, brand strength and agility will enable it to gain a firm foothold in the industry in the current consumption environment. Since consumers are conservative towards spending on underwear products, the Group will closely monitor market trends to make timely adjustments in terms of product design, production technology, marketing and sales channels. The Group will continue to step up the development of products suitable for online shopping, enhance products' adaptability, strengthen cooperation with low-carbon material suppliers, and comprehensively develop low-carbon and environmentally friendly products, to meet the consumer demand for rational, quality-focused, and sustainable consumption.

In the future, the Group will continue to review and adjust its business strategy. It will continue to explore different market segments to cater to the positive trends in the e-commerce industry, strengthen operations on social media and e-commerce platforms, achieve brand promotion through multiple channels, consolidate the sales advantages of its brands in the online retail market, and stick to the strategy of driving sales through celebrity endorsements to increase the market share of its brands. In terms of production capability, the Group will respond promptly to market demands, capitalising on the advantages of deploying its self-production and self-distribution model and its ancillary intelligent finished goods and materials warehouse facilities to enhance production and logistics efficiency. It will also actively save energy, reduce emission and optimise the supply chain 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

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the share capital and underlying shares of the Company or its associated corporations (the "Associated Corporation(s)") (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

Long positions in ordinary shares of the Company:

Name of director	Capacity and nature of interest	Shares/equity derivatives	Number of shares/equity derivatives held	Percentage of the Company's issued share capital
Madam Ngok Ming Chu	Interest of controlled corporations	Ordinary shares (Note 1)	143,041,031	33.86
	Beneficial owner	Ordinary shares	2,978,901	0.71
	Beneficial owner	Share options (Note 2)	1,300,000	0.31
	Interest of spouse	Ordinary shares (Note 3)	3,628,220	0.86
	Interest of spouse	Share options (Note 3)	1,430,000	0.34

Other Information *(continued)*

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares *(continued)*

Name of director	Capacity and nature of interest	Shares/equity derivatives	Number of shares/equity derivatives held	Percentage of the Company's issued share capital
Ms. Cheng Pik Ho Liza	Beneficial owner	Ordinary shares	60,087,577	14.22
	Beneficial owner	Share options <i>(Note 2)</i>	1,220,000	0.29
Mr. Cheng Chuen Chuen	Beneficial owner	Ordinary shares	28,094,709	6.65
	Beneficial owner	Share options <i>(Note 2)</i>	295,000	0.07
Ms. Lu Qun	Beneficial owner	Ordinary shares	1,024,057	0.24
	Beneficial owner	Share options <i>(Note 2)</i>	665,000	0.16
Mr. Lau Siu Ki	Beneficial owner	Ordinary shares	768,000	0.18
	Beneficial owner	Share options <i>(Note 2)</i>	100,000	0.02

Other Information (continued)

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares (continued)

Name of director	Capacity and nature of interest	Shares/equity derivatives	Number of shares/equity derivatives held	Percentage of the Company's issued share capital
Mr. Lee Kwan Hung	Beneficial owner	Ordinary Shares	487,000	0.12
	Beneficial owner	Share options (Note 2)	100,000	0.02
Prof. Lee T. S.	Beneficial owner	Ordinary Shares	604,000	0.14
	Beneficial owner	Share options (Note 2)	100,000	0.02

Notes:

1. These shares are held by Harmonious World Limited ("Harmonious World"). Harmonious World is owned as to 70.89% by Madam Ngok Ming Chu and as to 29.11% by the late Mr. Cheng Man Tai.
2. These represent the number of shares which will be allotted and issued to the respective directors upon the exercise of the share options granted to each of them under the share option scheme adopted on 28 May 2020 (the "Share Option Scheme"). Details of the Share Option Scheme are disclosed in note 16 to the condensed consolidated financial statements.
3. Madam Ngok Ming Chu is deemed to be interested in the shares and share options personally held by her spouse, the late Mr. Cheng Man Tai, pursuant to Part XV of the SFO.

Other Information (continued)

Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares (continued)

Long positions in ordinary shares of an Associated Corporation:

Name of director	Name of Associated Corporation	Relationship with the Company	Number of shares held	Capacity and nature of interest	Percentage of the Associated Corporation's issued share capital
Madam Ngok Ming Chu	Harmonious World	Controlling shareholder	40.09 shares of US\$1 each	Beneficial owner	70.89

Save as disclosed above, as at 30 June 2024, none of the Directors and chief executive of the Company had registered an interest or short position in the shares, underlying shares of the Company or any of its Associated Corporations that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in note 16 to the condensed consolidated financial statements, at no time during the Current Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Share Option Scheme

The numbers of share options available for grant under the mandate limit of the Share Option Scheme as at 1 January 2024 and 30 June 2024 were 24,786,663 and 24,856,663 respectively.

Other Information (continued)

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 30 June 2024, the following interests of 5% or more of the issued share capital of the Company (other than the interests of the Directors as disclosed above) were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Long positions in ordinary shares of the Company:

Name	Capacity and nature of interest	Shares/equity derivatives	Number of shares/equity derivatives held	Percentage of the Company's issued share capital
Harmonious World	Beneficial owner	Ordinary shares ^(Note 1)	143,041,031	33.86
Sinowide Investments Limited	Beneficial owner	Ordinary shares	30,000,000	7.10
Value China Fund	Beneficial owner	Ordinary shares	21,475,000	5.08
Mr. Cheng Man Tai* (deceased)	Beneficial owner	Ordinary shares	3,628,220	0.86
	Beneficial owner	Share options ^(Notes 2 & 10)	1,430,000	0.34
	Interest of spouse	Ordinary shares ^(Note 3)	146,019,932	34.57
	Interest of spouse	Share options ^(Note 3)	1,300,000	0.31
Ms. Wong Oi Fan	Interest of spouse	Ordinary shares ^(Note 4)	28,094,709	6.65
	Interest of spouse	Share options ^(Note 4)	295,000	0.07
Ms. Cheng Tsz Kwan	Beneficial owner	Ordinary shares ^(Note 5)	22,366,661	5.29
	Beneficial owner	Share options ^(Note 6)	185,000	0.04
Mr. Pun Hiu Lok	Interest of spouse	Ordinary shares ^(Note 7)	22,366,661	5.29
	Interest of spouse	Share options ^(Note 7)	185,000	0.04
Mr. Cheng Ka Hei	Beneficial owner	Ordinary shares ^(Note 8)	22,064,732	5.22
Ms. Mei Zhen	Interest of spouse	Ordinary shares ^(Note 9)	22,064,732	5.22

* Mr. Cheng Man Tai passed away on 19 June 2024.

Other Information *(continued)*

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares *(continued)*

Notes:

1. The relationship between Harmonious World, Madam Ngok Ming Chu and the late Mr. Cheng Man Tai is disclosed under the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above.
2. These represent the number of shares which will be allotted and issued to the late Mr. Cheng Man Tai upon the exercise of the share options granted to him under the Share Option Scheme.
3. The late Mr. Cheng Man Tai is deemed to be interested in the shares and share options personally held or controlled by his spouse, Madam Ngok Ming Chu, pursuant to Part XV of the SFO.
4. Ms. Wong Oi Fan is the spouse of Mr. Cheng Chuen Chuen, an executive director of the Company. She is deemed to be interested in the shares and share options personally held by her spouse pursuant to Part XV of the SFO.
5. Ms. Cheng Tsz Kwan is the granddaughter of the late Mr. Cheng Man Tai and Madam Ngok Ming Chu.
6. These represent the number of shares which will be allotted and issued to Ms. Cheng Tsz Kwan upon the exercise of the share options granted to her under the Share Option Scheme.
7. Mr. Pun Hiu Lok is the spouse of Ms. Cheng Tsz Kwan. He is deemed to be interested in the shares and share options personally held by his spouse pursuant to Part XV of the SFO.
8. Mr. Cheng Ka Hei is the grandson of the late Mr. Cheng Man Tai and Madam Ngok Ming Chu.
9. Ms. Mei Zhen is the spouse of Mr. Cheng Ka Hei. She is deemed to be interested in the shares personally held by her spouse pursuant to Part XV of the SFO.
10. According to the rules of the Share Option Scheme, in the event that the grantee ceases to be a participant by reason of death, the legal personal representative(s) of this grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the option (to the extent which has become exercisable and not already exercised).

Save as disclosed above, as at 30 June 2024, no person, other than the Directors, whose interests are set out in the section "Directors' and Chief Executive's Interests and Short Positions in Shares and Underlying Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

Other Information (continued)

Changes in Directors' Information

Changes in Directors' information since the disclosure made in the 2023 annual report of the Company, that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

With effect from 28 March 2024, Mr. Lau Siu Ki has resigned as an independent non-executive director of IVD Medical Holding Limited, the shares of which are listed on the Stock Exchange.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

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 2024 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 28 August 2024, the Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2024.

Other Information (continued)

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 2024, 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 (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.

On behalf of the Board

Ngok Ming Chu
Chairman

Hong Kong
28 August 2024

Independent Review Report



To the board of directors of Embry Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Embry Holdings Limited (the “Company”) and its subsidiaries set out on pages 3 to 24, which comprise the condensed consolidated statement of financial position as at 30 June 2024, and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Review Report (continued)

Scope of review

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

28 August 2024