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If you are in any doubt as to any aspect of this circular or as to the action should be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Embry Holdings Limited, you should at once hand this circular, together with the enclosed Form of Election (if applicable), to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

Executive Directors:

Madam Ngok Ming Chu (*Chairman*)
Ms. Cheng Pik Ho Liza (*Chief Executive Officer*)
Ms. Lu Qun

Independent non-executive Directors:

Mr. Lau Siu Ki (alias, Kevin Lau)
Mr. Lee Kwan Hung
Prof. Lee T. S. (alias, Lee Tien-sheng)

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21 September 2017

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME IN RELATION TO THE INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 30 JUNE 2017

INTRODUCTION

On 23 August 2017, it was announced that the board of directors (the “Board”) of Embry Holdings Limited (the “Company”), among other things, declared the payment of an interim dividend of HK2.50 cents per ordinary share (the “Share”) for the six months ended 30 June

2017 (the “Interim Dividend”) to shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company on 14 September 2017 (the “Record Date”) in the form of new fully paid Shares (the “Scrip Shares”) with the Shareholders being given the option to elect to receive cash in lieu of all or part of their scrip dividend entitlements (the “Scrip Dividend Scheme”).

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Pursuant to the Scrip Dividend Scheme, the Shareholders have the following choices, subject to conditions imposed on the Shareholders in respect of the Interim Dividend:

- (i) an allotment of the Scrip Shares credited as fully paid Shares and having an aggregate market value (as defined below) equal to, save for adjustment for fractions, the total amount of the Interim Dividend which such Shareholder could elect to receive in cash; or
- (ii) cash of HK2.50 cents for each Share held on the Record Date; or
- (iii) partly in form of the Scrip Shares and partly in cash.

The number of the Scrip Shares to be allotted pursuant to the Scrip Dividend Scheme was calculated by reference to the market value of HK\$2.536 per Share which was the average of the closing prices per Share (the “Average Closing Price”) as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the five consecutive trading days up to and including 14 September 2017. Accordingly, the number of the Scrip Shares which the Shareholders are entitled to receive in respect of the existing Shares registered under their names as at the Record Date will be calculated as follows:

$$\text{Number of the Scrip Shares to be received} = \frac{\text{Number of existing Shares held on the Record Date or number of Shares elected for the Scrip Shares (as applicable)} \times \text{HK\$0.025 (Interim Dividend per Share)}}{\text{HK\$2.536 (Average Closing Price)}}$$

The number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares in respect of alternatives (i) and (iii) above will be disregarded and the benefit thereof will accrue to the Company. The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing Shares except that they will not be entitled to the Interim Dividend.

Scrip Shares issued to the Shareholders pursuant to an election to receive some or all of their Interim Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Based on 421,122,797 Shares in issue on the Record Date, if all the Shareholders choose to receive Scrip Shares instead of cash in respect of the Interim Dividend, the Company will issue approximately 4,151,447 Scrip Shares, an increase of approximately 0.99% of the existing issued Shares.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investment in the Company at the market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders do not elect to receive cash in lieu of the Scrip Shares, such cash as would otherwise have been paid to the Shareholders will be retained for use by the Company.

EFFECT OF THE SCRIP DIVIDEND SCHEME

The Shareholders should note that the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme may give rise to discloseable requirements under the provisions of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Shareholders, who are in any doubt as to whether these provisions would affect them as a result of their election of receiving the Interim Dividend in the form of Scrip Shares, are recommended to seek their own professional advice.

FORM OF ELECTION

A form of election in relation to the Scrip Dividend Scheme (the “Form of Election”) is enclosed for use by the Shareholders who wish to receive the Interim Dividend wholly in cash or partly in cash and partly in the form of the Scrip Shares.

If you elect to receive the Interim Dividend wholly in the form of the Scrip Shares, you do not need to take any action.

If you elect to receive the Interim Dividend wholly in cash, or partly in cash and partly in the form of the Scrip Shares, you should complete and return the enclosed Form of Election in accordance with the instructions printed thereon. If you complete the Form of Election but do not specify the number of Shares in respect of which you wish to receive cash under the Scrip Dividend Scheme, or if you elect to receive cash in respect of a greater number of Shares than your registered shareholding on the Record Date, in either case, you will be deemed to have exercised your election to receive cash in respect of all the Shares of which you were then registered as the holder on the Record Date.

The Form of Election should be completed in accordance with the instructions printed thereon and returned to Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 10 October 2017. Failure to complete and return the Form of Election in accordance with the instructions printed thereon will result in the relevant Shareholder’s Interim Dividend being paid wholly in the form of the Scrip Shares. No acknowledgement of receipt of the Form of Election will be issued.

If there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning (either one of the warnings is referred to as the “Warning”) in force, the above deadline for submission of the Forms of Election will be changed as follows:

- (a) If the Warning is in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 10 October 2017: the deadline for submission of the Forms of Election will be 5:00 p.m. on Tuesday, 10 October 2017.**
- (b) If the Warning is in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Tuesday, 10 October 2017: the deadline for submission of the Forms of Election will be rescheduled to 4:30 p.m. on the next business day which does not have any Warning in force at any time between 9:00 a.m. and 4:30 p.m.**

SHAREHOLDERS RESIDING OUTSIDE HONG KONG

Based on the information made available to the directors of the Company, there was no Shareholder with a registered address outside Hong Kong on the register of members of the Company. Should any Shareholders with registered addresses outside Hong Kong are shown in the register of members of the Company on the Record Date, the Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange for considering whether to exclude such Shareholder from the Scrip Dividend Scheme and it may only exclude such Shareholder on the basis that, having made such enquiry, it would be necessary or expedient to do so.

No person receiving a copy of this circular or a Form of Election in any jurisdiction outside Hong Kong may treat the same as offering a right to elect to receive the Scrip Shares unless such offer could lawfully be made to such person without the Company being required to comply with any governmental or regulatory procedures or any similar formalities. It is the responsibilities of any person, residing outside Hong Kong who wishes to receive the Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdiction(s), including the obtaining of any governmental or other consents and compliance with all other formalities. It is also the responsibilities of any person who receives the Scrip Shares in lieu of a cash dividend to comply with any restrictions on the transfer or sale of the Shares which may apply outside Hong Kong.

LISTING AND DEALINGS

The issue of the Scrip Shares pursuant to the Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. The Company will make the said listing application to the Stock Exchange.

It is expected that the relevant dividend warrants and share certificates will be sent by ordinary post to the Shareholders at their postal risks on Wednesday, 25 October 2017. Dealing of the Scrip Shares on the Stock Exchange is expected to commence on Thursday, 26 October 2017.

Subject to the granting of the listing of, and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange only. No equity or debt securities of the Company are listed, or dealt in, on any other stock exchange nor is listing, or permission to deal in, on any other exchange being, or proposed to be, sought.

TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme:

Event	Date
Latest time for lodging forms of transfer of Shares to ensure entitlement to the Interim Dividend	4:30 p.m. on Monday, 11 September 2017
Closure of Register of Members of the Company for ascertaining the entitlement to the Interim Dividend	Tuesday, 12 September 2017 to Thursday, 14 September 2017 (both days inclusive)
Record Date	Thursday, 14 September 2017
Last date for return of the Form of Election	4:30 p.m. on Tuesday, 10 October 2017
Despatch of dividend warrants and share certificates to the Shareholders	Wednesday, 25 October 2017
Commencement of dealing of the Scrip Shares on the Stock Exchange	Thursday, 26 October 2017

Yours faithfully,
On behalf of the Board of
Embry Holdings Limited
Ngok Ming Chu
Chairman