[For Immediate Release]

Embry Holdings Limited
Announces 2026 Interim Results

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Scaling up a Multi-brand Strategy
Achieved Online and Offline Revenue Growth in 1H 2026

RESULTS AND OPERATION HIGHLIGHTS

- Revenue was approximately HK$622.3 million, an increase of 2.9% year on year
- Gross profit was approximately HK$447.0 million, an increase of 1.1% year on year, gross profit margin was approximately 71.8%
- Loss attributable to owners narrowed to approximately HK$48.7 million, a decrease of 15.9% year on year
- Use of celebrity endorsements to achieve brand exposure effectively boosting ***EMBRY FORM***'s sales
- By strengthening the operations of e-commerce platforms and achieving full coverage of mainstream platforms, the overall e-commerce sales increased by 8.9% year on year to HK$258.0 million

(28 August 2026 – Hong Kong) **Embry Holdings Limited** ("Embry Group" or the "Group"; Stock Code: 1388), a major underwear brand owner and retailer in China, announces its unaudited interim results for the six months ended 30 June 2026 (the "Current Period") today.

During the Current Period, the Group's revenue increased by 2.9% to HK$622,255,000 from that for the six months ended 30 June 2025 (the "Prior Period"). The gross profit margin decreased slightly by 1.4 percentage points year on year to 71.8%. Excluding the impact of inventory provision, the gross profit margin increased from 71.0% last year to 72.2%. The Group's ongoing focus on strengthening cost management was key to mitigating the impact of fluctuating oil prices and the consequent rise in petrochemical costs, thereby maintaining a stable gross profit margin. Affected by the operating loss and the changes in fair value of investment properties and impairment of other asset, the loss attributable to owners of the Company narrowed to approximately HK$48,721,000, as compared to the Prior Period. Loss per share amounted to HK11.53 cents. The board of directors has resolved not to recommend the payment of an interim dividend in view of the uncertain economic outlook. The Company believes that this measure is a prudent and responsible means of preserving cash for the long-term financial health of the Group.

Reviewing the Group's operation in the first half of 2026, Madam Ming Chu Ngok, Chairman of Embry Group, said, "In the first half of the year, China's economy managed to withstand pressures and achieved growth, although the imbalance between strong supply and weak demand remained pronounced, and consumer confidence continued to be subdued. These factors, coupled with upward cost pressures stemming from the macro-environment, posed multiple challenges to the operations of underwear retail industry."

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In the first half of 2026, 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***. Catering to the segmented market by highlighting unique brand personalities to meet the needs and preferences of various customer groups, the Group consolidated its flagship brand, ***EMBRY FORM***, which contributed most of the sales, while successfully transforming ***FANDECIE***'s operating model, thereby enhancing the competitiveness and market share of its other brands.

Among the seven brands operated by the Group, ***EMBRY FORM***, the flagship brand, is the main source of income for the Group, accounting for 64.2% of total revenue. Revenue from ***EMBRY FORM*** amounted to HK$399,577,000, up by 2.2% 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$220,390,000, accounting for 35.4% of the total revenue. Among these brands, ***FANDECIE*** delivered an exceptionally strong performance in the second quarter, driven by its channel transformation strategy, the impact of celebrity endorsements and product strategies that closely aligned with market demand, with revenue more than doubling from the first quarter.

During the Current Period, revenue from retail sales was HK$351,236,000, representing an increase of 1.4% from the Prior Period, and accounted for 56.4% of the Group's total revenue. Meanwhile, driven by the Group's strategic alignment with online consumption trends through enhanced e-commerce operations and supply chain management, the Group recorded steady growth in sales on e-commerce platforms, with online sales increasing by 8.9% year on year to HK$257,994,000 in the first half of 2026, and its contribution to total revenue increasing from 39.2% in the same period last year to 41.5%.

During the Current Period, the selling and distribution expenses increased by 4.0% year on year to HK$424,382,000, accounting for 68.2% of the Group's revenue. The increase was mainly due to the Group's continued investment in sales and marketing, including increased spending on service fees for e-commerce livestreaming and offline store renovation costs, with the aim of enhancing the Group's brand awareness and promoting its overall sales performance. Attributable to the Group's active cost control and the reversal of accrued expenses during the Current Period, administrative expenses amounted to HK$ 65,731,000, representing a decrease of 12.7% as compared to the same period last year, and accounted for 10.6% of the Group's revenue.

In the first half of the year, the Group further optimised its sales network. As of 30 June 2026, the Group had a total of 684 retail outlets, including 567 concessionary counters and 117 retail stores. This represents a net decrease of 32 retail outlets compared to the end of December 2025. In response to the channel transformation trend, the Group actively expanded its online retail business. At the same time, amidst slowing demand at physical stores, the Group strategically adjusted the number of its offline outlets to enhance the operational efficiency of its overall sales network and optimise the sales mix between online and offline channels, aiming to achieve the most desirable channel mix.

In terms of brand promotion, the Group continued to optimise its brand communication strategies, deepening its coordinated multi-channel and multi-media presence. Through targeted resource allocation and refined operations on social platforms, its brand visibility and market reach were significantly enhanced. The Group leveraged celebrity endorsements and strategic collaborations to effectively expand its customer reach through the influence of celebrities. Specifically, ***EMBRY FORM*** invited actress Charmaine Sheh Sze Man (佘詩曼) to appear in a brand livestream on the WeChat Channels (視頻號) platform, successfully achieving dual breakthrough in brand visibility and sales conversion. ***FANDECIE*** partnered with new celebrity spokesperson Wu Xin (吳昕), which received favourable market feedback and delivered particularly notable promotional results, effectively driving sales growth.

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Looking ahead to the second half of the year, the continued implementation and enhancement of various consumption-boosting policies are expected to support a moderate recovery in consumer spending, with total retail sales of consumer goods likely to improve continuously in the second half of the year. From the perspective of the underwear sector itself, end-market sales are expected to sustain a moderate recovery, and professional product upgrading and new retail channel innovation may become key growth drivers in the forthcoming second half of the year. Nevertheless, as the composition of resident consumption gradually shifts from spending on physical goods to experience-oriented services, the recovery momentum of the underwear industry may be relatively weaker than that of the broader consumer market as a result.

Madam Ngok concluded, "In response to consumers' increasingly rational and prudent underwear purchasing behaviour, the Group continues to closely track market shifts and rapidly iterate its strategies across product development, manufacturing techniques, brand marketing and channel distribution. We will persist in deepening the development of proprietary products, enhancing product suitability and market fit; while actively collaborating with low-carbon suppliers to scale up the research and development and rollout of eco-friendly product lines, thereby comprehensively addressing consumers' diverse demands for high-quality products, rational consumption values and green sustainable development. Looking ahead, the Group will continuously review and adjust its business strategies, while actively exploring opportunities in niche market segments. Keeping pace with e-commerce trends, we will strengthen refined operation on online platforms and enhance brand awareness through an omni-channel strategy, further consolidating our competitive edge in online retail. Additionally, the Group will continue to collaborate and create synergy with celebrity endorsers to deepen brand influence and further expand the market share. In terms of production, the Group will flexibly allocate its production capacity and supply chain resources, fully leveraging the efficiency of its intelligent warehousing and logistics systems to improve supply and delivery timeliness. We will also persistently promote energy conservation, emission reduction and supply chain optimisation, striving to achieve sustainable development. Upholding its commitment to quality, the Group will continue adopting a flexible and effective multi-brand strategy to navigate the ever-changing market dynamics and strive to create long-term value for shareholders through prudent and effective resource allocation."

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About Embry Group:
Embry Group is a major underwear brand owner and retailer in China, which has established an extensive retail network comprising 684 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates seven brands namely, ***EMBRY FORM***, ***FANDECIE***, ***COMFIT***, ***E-BRA***, ***LIZA CHENG, IADORE***, and ***IVU*** with each of them targeting different customers.

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