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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

RESULTS HIGHLIGHTS

	Six months ended 30 June		
	2015	**2014**	**Change**
	(HK$'000)	*(HK$'000)*	
Revenue	1,391,784	1,238,479	+12.38%
Gross profit	1,144,837	1,016,272	+12.65%
Gross profit margin	82.26%	82.06%	+0.20% pts
Profit for the period attributable to owners of the Company	145,217	124,583	+16.56%
Net profit margin	10.43%	10.06%	+0.37% pts
	(HK cents)	*(HK cents)*	
Basic earnings per share	34.85	29.90	+16.56%
Proposed interim dividend per share	4.00	4.00	N/A

The board of directors (the "Board" or "Directors") of Embry Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2015 together with the unaudited comparative figures for the corresponding period in 2014 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 auditors of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	Six months ended 30 June 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
REVENUE	2	1,391,784	1,238,479
Cost of sales		(246,947)	(222,207)
Gross profit		1,144,837	1,016,272
Other income and gains, net	3	19,559	18,603
Selling and distribution expenses		(812,802)	(741,283)
Administrative expenses		(138,709)	(115,745)
Other expenses		(267)	-
Finance costs	4	(2,856)	(987)
PROFIT BEFORE TAX	5	209,762	176,860
Income tax expense	6	(64,545)	(52,277)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		145,217	124,583
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	7		
- Basic (HK cents)		34.85	29.90
- Diluted (HK cents)		34.85	29.90

Details of the dividends are disclosed in note 8 to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
PROFIT FOR THE PERIOD	145,217	124,583
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive expense to be reclassified to the income statement in subsequent periods:		
Exchange differences arising on translation of foreign operations	-	(17,527)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY	145,217	107,056

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2015

	Notes	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,003,829	911,289
Investment properties		324,699	318,699
Prepaid land lease payments		40,227	38,989
Deferred tax assets		78,752	72,129
Deposits		11,676	17,061
Total non-current assets		1,459,183	1,358,167
CURRENT ASSETS			
Inventories		753,512	722,619
Trade and bills receivables	10	115,147	89,961
Prepayments, deposits and other receivables		57,125	58,412
Cash and bank balances		204,965	180,105
Total current assets		1,130,749	1,051,097
CURRENT LIABILITIES			
Trade and bills payables	11	109,626	146,527
Interest-bearing bank borrowings	12	84,088	90,639
Tax payable		57,177	74,598
Other payables and accruals		251,172	222,343
Total current liabilities		502,063	534,107
NET CURRENT ASSETS		628,686	516,990
TOTAL ASSETS LESS CURRENT LIABILITIES		2,087,869	1,875,157
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	12	202,222	94,361
Deferred liabilities		2,233	4,070
Deferred tax liabilities		35,298	32,161
Total non-current liabilities		239,753	130,592
NET ASSETS		1,848,116	1,744,565
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Issued capital		4,166	4,166
Reserves		1,843,950	1,740,399
TOTAL EQUITY		1,848,116	1,744,565

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements 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 have been prepared under the historical cost convention, except for the investment properties that are measured at fair value. The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014 except as described below. In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning on 1 January 2015.

Amendment to HKAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs

The adoption of the new HKFRSs had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented.

2. REVENUE AND SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

The Group's primary operating segment is the manufacture and sale of ladies' brassieres, panties, swimwear and sleepwear. Since this is the only operating segment of the Group, no further analysis thereof is presented.

3. OTHER INCOME AND GAINS, NET

	Six months ended 30 June 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Other income		
Gross rental income	7,543	5,761
Contingent rents receivable in respective of operating lease	406	451
Subsidy income*	2,920	18,028
Bank interest income	836	1,098
Royalty income	44	81
Others	1,190	234
	12,939	25,653
Gains, net		
Changes in fair value of an investment property	6,000	-
Foreign exchange differences, net	929	(6,924)
Loss on disposal/write-off of items of property, plant and equipment	(309)	(126)
	6,620	(7,050)
	19,559	18,603

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

4. FINANCE COSTS

	Six months ended 30 June 2015 HK$'000 (unaudited)	2014 HK$'000 (unaudited)
Interest expenses on bank loans wholly repayable within five years	2,856	987

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June 2015 HK$'000 (unaudited)	Six months ended 30 June 2014 HK$'000 (unaudited)
Cost of inventories sold	246,947	222,207
Depreciation	23,351	17,009
Amortisation of prepaid land lease payments	499	459
Minimum lease payments under operating leases in respect of:		
Land and buildings	43,950	41,168
Contingent rents of retail outlets in department stores	353,063	311,677
Advertising and counter decoration expenses	64,700	69,944

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. 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 2015 HK$'000 (unaudited)	Six months ended 30 June 2014 HK$'000 (unaudited)
Group:		
Current - Hong Kong	360	366
Current - Mainland China	62,510	53,853
Deferred	1,675	(1,942)
Total tax charge for the period	64,545	52,277

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amount is based on the profit for the period attributable to owners of the Company of HK$145,217,000 (2014: HK$124,583,000) and the 416,661,000 (2014: 416,661,000) ordinary shares in issue during the period.

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2015 and 2014.

8. DIVIDENDS

	Six months ended 30 June	
	2015	2014
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Dividends paid during the period		
Final and special in respect of the financial year ended 31 December 2014 - HK8.0 cents and HK2.0 cents, respectively, per ordinary share (2014: final and special in respect of the financial year ended 31 December 2013 - HK8.0 cents and HK2.0 cents, respectively, per ordinary share)	41,666	41,666
Proposed interim dividend		
Interim - HK4.0 cents (2014: HK4.0 cents) per ordinary share	16,666	16,666

The interim dividend will be paid to the shareholders whose names appear in the register of members on 14 September 2015. The interim dividend was declared after the period ended 30 June 2015, and therefore has not been included as a liability in the condensed consolidated statement of financial position.

9. PROPERTY, PLANT AND EQUIPMENT

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
At beginning of period/year, net of accumulated depreciation	911,289	677,473
Additions	116,235	279,349
Disposals/write-off	(344)	(798)
Depreciation provided during the period/year	(23,351)	(36,432)
Exchange realignment	-	(8,303)
At end of period/year, net of accumulated depreciation	1,003,829	911,289

10. TRADE AND BILLS 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 and bills 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 and bills receivable balances. Trade receivables are non-interest-bearing.

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

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Within 90 days	107,192	85,212
91 to 180 days	7,955	4,749
181 to 360 days	1,394	1,088
Over 360 days	791	604
	117,332	91,653
Less: Impairment allowance	(2,185)	(1,692)
	115,147	89,961

11. TRADE AND BILLS PAYABLES

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

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Within 90 days	96,048	119,053
91 to 180 days	4,511	21,030
181 to 360 days	4,761	1,805
Over 360 days	4,306	4,639
	109,626	146,527

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

As at 30 June 2015, bills payable of HK$810,000 (31 December 2014: Nil) is secured by pledged time deposit of HK$243,000 (31 December 2014: Nil).

12. INTEREST-BEARING BANK BORROWINGS

	30 June 2015			31 December 2014		
	Effective interest rate %	Maturity	HK$'000 (unaudited)	Effective interest rate %	Maturity	HK$'000 (audited)
Current						
Bank loans -unsecured	Hong Kong Interbank Offered Rate ("HIBOR") +1.08 to HIBOR +1.95	2015-2016	83,278	HIBOR +1.08 to HIBOR +2.50	2015	90,639
Bank loan from discounted bill	1.2 times of The People's Bank of China Benchmark Loan Interest Rate	2015	810	-	-	-
			84,088			90,639
Non-current						
Bank loans -unsecured	HIBOR +1.85 to HIBOR +1.95	2016-2020	202,222	HIBOR +1.08 to HIBOR +2.25	2016-2019	94,361

12. INTEREST-BEARING BANK BORROWINGS (continued)

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Analysed into:		
Bank loans repayable:		
Within one year	84,088	90,639
In the second year	37,778	41,028
In the third to fifth years, inclusive	164,444	53,333
	286,310	185,000
Less: Amount repayable within one year and classified as current portion	(84,088)	(90,639)
Amount classified as non-current portion	202,222	94,361

The above bank loans are denominated in Hong Kong dollars and Renminbi, amounted to HK$285,500,000 (31 December 2014: HK$185,000,000) and HK$810,000 (31 December 2014: Nil), respectively. The bank loans are supported by corporate guarantees given by the Company.

13. COMMITMENTS

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

	30 June 2015 HK$'000 (unaudited)	31 December 2014 HK$'000 (audited)
Contracted for commitments in respect of the acquisition of property, plant and equipment	24,943	94,660

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS REVIEW

In the first half of 2015, global economic conditions remained uncertain and the economic growth of developed countries was slower than expected. China saw its economic growth decelerate amid what it termed "New Normal" which had resulted from its move to improve the economic structure. According to the National Bureau of Statistics of China, the country's gross domestic product for the first half of 2015 increased by 7.0% year-on-year, 0.4 percentage point lower than the previous year, to RMB29,686.8 billion. The growth of total retail sales of social consumer goods decelerated to 10.4% year-on-year and reached RMB14,157.7 billion. Total retail sales of garments, hats, footwear and knitwear fared slightly better with a year-on-year growth of 10.7%.

The weak external environment and Chinese government's austerity measures and policies against extravagance dampened consumer sentiment. Consumers still tended to be cautious about spending and paid more attention on product's price and price-performance ratio. In order to pursue sustainable business development, the Group maintained its pragmatic approach to the challenges arising from the changing market environment and intense competition. The Group remained prudent when making business plans and adopted a flexible multi-brand strategy and fully capitalised on its optimised sales network. It successfully overcame various challenges in the business environment with the effective strategies, thus achieved steady growth in sales in the first half of 2015.

For the six months ended 30 June 2015 (the "Current Period"), the Group's revenue grew by 12.38% to HK$1,391,784,000 over that for the six months ended 30 June 2014 (the "Prior Period"). Profit attributable to owners of the Company increased by 16.56% to HK$145,217,000 over that for the Prior Period. Earnings per share increased by 16.56% to HK34.85 cents (2014: HK29.90 cents). The Board of Directors of the Company has resolved to declare an interim dividend of HK4.00 cents per share (2014: HK4.00 cents) for the Current Period.

Brand management

The Group implemented a multi-brand strategy and continued to allocate internal resources flexibly to focus on promoting potential brands which have lower market penetration, such as ***E-BRA***, and invested appropriate resources in cultivating its new brands, namely ***IADORE*** and ***IVU***, so as to achieve higher shares of their respective target markets and generate growth momentum for the Group.

The Group promoted and advertised its brands and products actively to enhance brand equity. During the Current Period, the Group held a grand ceremony to celebrate the completion of its new modern industrial park in Changzhou, and the event was graced with the presence of the municipal officials and important business partners. Wide media coverage of the occasion further promoted the recognition of the Group's brand and raised the public awareness of its brand image. The Group showcased the fashionable swimsuits of its four major brands, namely ***EMBRY FORM***, ***FANDECIE***, ***IVU*** and ***LIZA CHENG***, during the "Charming Swimsuits Gala 2015", which highlighted the unique characteristics of the respective brands and became the focus of this year's Shenzhen Underwear Fair (SIUF). In addition, the Group sponsored the exhibition "Touch of China Fashion" held by ELLE CHINA in Milan and presented its gorgeous and creatively designed underwear.

As to its online initiatives, the Group kept enhancing and maintaining the image of its various brands on the Internet during the period with a view to raising the brand awareness. For instance, the brand ***EMBRY FORM*** has fully upgraded its WeChat platform during the period by reorganising its brand structure on that social media platform and by rebranding itself to project a more youthful image which successfully attracted a large number of new customers. For the online sales, the Group continued to adopt conservative strategies by concentrating on sales of discounted products and products developed exclusively for online sales, so as to maintain a consistent brand image online and offline.

BUSINESS AND OPERATIONS REVIEW (continued)

Sales network
The Group was cautiously optimistic about the market's potential growth and efficiently expanded and optimised its sales network to achieve steady business development. In view of China's economic restructuring and changing consumption patterns, the Group has appropriately adjusted the distribution of its retail outlets by closing or relocating stores with lower efficiency during the period so as to enhance the overall efficiency of its sales network. As at 30 June 2015, the Group had 2,267 retail outlets in total, including 2,083 concessionary counters and 184 stores. During the Current Period, there was a net decrease of 50 retail outlets of the Group. Meanwhile, the Group's products were also available for sale through different online platforms.

Product design, research and development
The Group invested resources in the design, research and development of new products. The constant improvement in patented designs enriched the value of its products which catered for consumer needs at various levels.

During the Current Period, the Group launched a variety of well-received new collections, including: ***EMBRY FORM***'s "Retro Muses Series" (「復古繆斯系列」) and "Graceful Garden Series" (「曼妙花園系列」); ***FANDECIE***'s "Rainbow City Series" (「彩虹都市系列」) and "African Journey Series" (「穿越非洲系列」); ***COMFIT***'s "Healthy V Series" (「健康 V 系列」) and "Fashionable Cups Series" (「風尚模杯系列」); ***E-BRA***'s "Charm and Beauty Series" (「魅力美型系列」) and "Glamorous Push-Up Series" (「亮彩舒挺系列」); ***IADORE***'s "Clover Series" (「幸運草系列」) and "Tempting Series" (「魅惑系列」); ***LIZA CHENG***'s "Classic Smooth Series" (「經典光面系列」) and "Water Castle Series" (「水上古堡系列」); and ***IVU***'s "Air Series" (「Air 系列」) and "Cotton Traceless Series" (「棉無痕系列」).

As at 30 June 2015, the Group had 6 invention patents, 29 utility model patents and 9 appearance design patents registered in China and/or other parts of the world.

Production capacity
The Group manufactures all of its core products internally and currently has three production bases located respectively in Shenzhen, Jinan and Changzhou of China. The new production base in Changzhou was completed as scheduled in the first quarter of 2015, and the relocation of production facilities was completed during the first half of the year. Meanwhile, the Group has also been closely monitoring the changes in consumer demand, regularly reviewing capacity allocation and flexibly deploying manpower and machine capacity to achieve better operational efficiency.

Human resources
Tense labour supply and implementation of the minimum wage policy in China has resulted in continuous wage increase. The Group endeavored to retain an outstanding work force, through measures such as organising training courses, improving employee benefits and enhancing staff loyalty, in order to improve its overall operational efficiency to coincide with the Group's development plan. The number of employees of the Group decreased to approximately 9,420 (31 December 2014: approximately 9,730). Total staff costs (including wages and basic salaries, commissions, bonuses, contributions to the retirement benefits scheme and excluding directors' and chief executive's remunerations) for the Current Period was HK$398,914,000 (2014: HK$360,506,000).

FINANCIAL REVIEW

Revenue

By sales channel and region

During the Current Period, revenue was HK$1,391,784,000, representing a year-on-year increase of 12.38%. The growth was mainly attributable to the Group's multi-brand strategy, which led to steady growth in overall customer demand amid a volatile market.

During the Current Period, revenue from the retail sales was HK$1,186,319,000, accounting for 85.24% of the Group's total revenue and representing an increase of 13.35% over the Prior Period. As sales orders from our wholesalers were affected by the economic environment, revenue of the wholesale business decreased by 4.33% from HK$156,641,000 to HK$149,854,000, accounting for 10.77% of the total revenue. Revenue from the direct online sales channels increased by 67.60% from HK$31,622,000 to HK$53,000,000, accounting for 3.81% of the total revenue, which was mainly attributable to the closer cooperation between the Group and its e-commerce partners that facilitates the promotion of product to customers.

The Mainland China market is the main source of income for the Group. During the Current Period, revenue from the Mainland China market was HK$1,335,973,000, accounting for 95.99% of the Group's total revenue and representing an increase of 13.21% over the Prior Period.

By brand and product line

The Group currently operates seven brands, namely ***EMBRY FORM***, ***FANDECIE***, ***COMFIT***, ***E-BRA***, ***IADORE***, ***IVU*** and ***LIZA CHENG***, serving different customer groups with varying degrees of purchasing power. Taking into account the current economic conditions, the Group decided to focus its resources on promoting ***E-BRA***, ***IADORE*** and ***IVU***. The revenue growth attributable to such three brands combined accounted for 55.24% of the overall revenue growth, proving the effectiveness of the brand strategy.

EMBRY FORM is the signature brand and main source of income for the Group. Its revenue increased by 9.67% to HK$661,199,000, accounting for 47.51% of the total revenue for the Current Period. The revenue of ***FANDECIE*** was HK$391,411,000, which approximated to that of the Prior Period and accounted for 28.12% of the total revenue for the Current Period. The revenue of ***COMFIT*** grew by 6.95% over the Prior Period to HK$103,531,000, accounting for 7.44% of the total revenue for the Current Period. The revenue of ***E-BRA***, continuing the rapid momentum, grew by 36.38% over the Prior Period to HK$156,263,000, accounting for 11.23% of the total revenue for the Current Period. The revenue of ***LIZA CHENG*** for the Current Period increased by 32.09% to HK$20,012,000. The revenue of ***IADORE*** increased by 259.48% over the Prior Period to HK$28,090,000 , accounting for 2.02% of the total revenue for the Current Period. The revenue of ***IVU*** increased by 382.77% over the Prior Period to HK$28,667,000, accounting for 2.06% of the total revenue for the Current Period. The brands' respective proportions in the revenue mainly reflected the Group's move to align its business focus with the market development.

Lingerie has always been the core product line of the Group. During the Current Period, sales of underwear were HK$1,241,106,000, accounting for 89.17% of the Group's revenue and representing an increase of 12.85% over the Prior Period. The sales of sleepwear improved by 7.62% to HK$61,767,000, accounting for 4.44% of the Group's total revenue. Sales of swimwear were outstanding and increased by 11.54% to HK$80,192,000, accounting for 5.76% of the Group's total revenue. The above two product lines enrich the Group's product mix.

FINANCIAL REVIEW (continued)

Gross profit
During the Current Period, the Group recorded a gross profit of approximately HK$1,144,837,000, representing an increase of approximately 12.65% over the Prior Period. Gross profit margin was approximately 82.26%, slightly up from that of the Prior Period. The increase in gross profit margin mainly reflected that the increase in operating costs which resulted from the rising labour costs was offset by the Group's better economy of scale achieved through business expansion, its enhanced brand equity as well as its improved production efficiency through the modernised production.

Other income and gains
Other income rose by 5.14% to HK$19,559,000 for the Current Period, mainly attributable to the gain of HK$6,000,000 on investment property revaluation during the Current Period, and an exchange gain arising from the Group's business operations in Mainland China against the loss for the Prior Period. Nevertheless, the growth in other income and gains was partly offset by the decrease in subsidy income.

Operating expenses
During the Current Period, selling and distribution expenses increased by 9.65% to HK$812,802,000 (2014: HK$741,283,000), accounting for 58.40% (2014: 59.85%) of the Group's revenue.

The increase in selling and distribution expenses was smaller than that in revenue, which mainly reflected the Group's endeavour to control operating costs under the current economic environment. The increase in contingent rents of the retail outlets, staff costs and expenses which resulted from the decoration of counters continued to exert upward pressure on operating costs. Contingent rents of the retail outlets rose by 13.28% to HK$353,063,000, accounting for 25.37% (2014: 25.17%) of the Group's revenue.

Administrative expenses increased by 19.84% to HK$138,709,000, accounting for 9.97% of the Group's revenue, compared with 9.35% for the Prior Period.

Net profit
Profit attributable to owners of the Company was HK$145,217,000 for the Current Period, representing a year-on-year increase of 16.56%. Net profit margin increased from 10.06% for the Prior Period to 10.43%.

Liquidity and financial resources
The Group finances its operations mainly with internally generated cash flows. Financial position of the Group remained sound and healthy during the Current Period. As at 30 June 2015, the Group's cash and bank balances amounted to approximately HK$204,965,000 (31 December 2014: HK$180,105,000). As at 30 June 2015, the Group's borrowings amounted to HK$286,310,000 (31 December 2014: HK$185,000,000). Equity attributable to owners of the Company as at 30 June 2015 was HK$1,848,116,000 (31 December 2014: HK$1,744,565,000). Accordingly, the gearing ratio of the Group was approximately 15.49% (31 December 2014: 10.60%).

Capital expenditure
The capital expenditure of the Group during the Current Period amounted to HK$116,235,000 (2014: HK$140,573,000), which mainly represented the costs incurred for the infrastructure project in relation to the Group's new production base in Changzhou, Jiangsu Province. As at 30 June 2015, the capital commitments of the Group amounted to HK$24,943,000, which were contracted but not provided for in the financial statements (31 December 2014: HK$94,660,000).

Charge on the Group's assets
As at 30 June 2015, bank deposit of HK$243,000 was pledged to secure the bank facilities granted to the Group.

Save as disclosed above, the Group did not pledge any other assets.

FINANCIAL REVIEW (continued)

Capital structure
As at 30 June 2015, the total issued share capital of the Company was HK$4,166,000 (31 December 2014: HK$4,166,000), comprising 416,661,000 (31 December 2014: 416,661,000) 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 at 30 June 2015, bank guarantees given in lieu of the Group's property rental deposits and utility deposits amounted to HK$2,196,000 (31 December 2014: HK$2,196,000).

Save as disclosed above, the Group had no other significant contingent liabilities, nor any litigation or arbitration of material importance.

PROSPECT

In the second half of 2015, major markets are expected to expand at a slow pace and to remain highly volatile due to the uncertainties over the global political and economic environment. The Chinese government presses ahead with its economic restructuring, which has led to a slower economic growth and thus will inevitably affect the consumer sentiment in the short term. Nevertheless, the economic upgrade and restructuring in China will help build a better economic system and reinforce the foundations for the country's economic development in the long run. Meanwhile, the national income and living standards will improve on the back of China's accelerating urbanisation. These shall continue to drive consumer spending, paving the way for further development of the country's consumer market.

As the leader in China's lingerie market, the Group will maintain a cautiously optimistic approach while striving for better business growth by adopting flexible and prudent development strategies and by closely monitoring the market conditions to cope with the upcoming challenges in the market. It will take efforts to enhance innovation in products through constant investment in product design and development so as to meet the diverse consumer needs for product design, functions and materials. As China's economy is maturing, the consumers will pay more attention to the materials and safety of products. In this regard, the Group will meet the demand by stepping up development of environmental friendly and healthy products.

Moreover, the Group will continue to give its multi-brand strategy full play while strengthening the competitiveness of its core brands. The Group considered ***E-BRA***, ***IADORE*** and ***IVU*** to be highly suitable for the market in the current economic environment and more likely to capitalise on the country's ongoing economic restructuring for sales growth. Therefore, in the second half of the year, the Group will continue to focus on enlarging ***E-BRA***'s market share and accelerating the development of ***IADORE*** and ***IVU***.

As sales network plays a vital role in the retail sector, it needs to be constantly upgraded and optimised. After evaluating the market environment, the Group decides to adopt a more prudent strategy in respect of store establishment and continue to close down underperforming stores. As such, the Group believes that the number of retail outlets in 2015 is likely to decrease, whereas the efficiency of stores will continue to improve, extending the trend in the first half of the year. In view of the rapid development of online sales channels, the Group has reviewed its internal resources and facilities, and has also formulated concrete plans with the aim of accelerating the development of its online shopping business.

The management believes that the Group will be able to achieve satisfactory performance in various business environments by continuing with its sound and pragmatic development strategy that has been adopted for years, especially its flexible and powerful multi-brand strategy, and by optimising its sales network and enriching its product portfolio through innovation after its thorough evaluation of the market conditions. In the future, the Group will adhere to its effective operating strategies and reinforce its leading position in the retail market in order to foster steady business growth for the long term and generate satisfactory returns to its shareholders.

OTHER INFORMATION

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 internal controls and financial reporting matters.

The external auditors of the Company have reviewed the condensed consolidated financial statements for the six months ended 30 June 2015 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 25 August 2015, the Board resolved to declare the payment of an interim dividend of HK4.0 cents per ordinary share in respect of the Current Period to shareholders registered on the register of members on Monday, 14 September 2015, resulting in an appropriation of approximately HK$16,666,000. The above-mentioned interim dividend will be payable on 6 October 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on Monday, 14 September 2015, on which no transfer of shares will be registered. In order to qualify for the interim dividend, all completed 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 11 September 2015.

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 of the Company during the Current Period.

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 14 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 for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (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.

PUBLICATION OF 2015 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk and the Company at http://www.embrygroup.com respectively. The 2015 interim report of the Group containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 25 August 2015

As at the date of this announcement, the Board comprises three executive Directors, namely Madam Ngok Ming Chu (Chairman), Ms. Cheng Pik Ho Liza (Chief Executive Officer) and Ms. Lu Qun; and three independent non-executive Directors, namely Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S.