

(For Immediate Release)



**Embry Announces 2006 Annual Results
Continuous Growth in Gross Profit Margin and Significant
Increase in Profit Attributable to Shareholders**

Financial Highlights:

HK\$'000	For the year ended 31 December		
	2006	2005	Change (%)
Turnover	624,324	550,014	+13.5
Gross profit	478,743	413,035	+15.9
Gross profit margin	76.7%	75.1%	+1.6 % pts
Profit attributable to shareholders	81,105	44,431	+82.5
Earnings per share – Basic (HK cents)	26.69	14.81	+80.2
Final dividend per share (HK cents)	6.0	-	-

(19 April 2007 – Hong Kong) **Embry Holdings Limited** (“Embry” or the “Group”; Stock Code: 1388), the leading integrated lingerie brand-owner and retailer in China, announced today its annual results for the year ended 31 December 2006. The Group achieved outstanding performances in its first annual results upon listing, which exceeded the profit forecast stated in the listing prospectus.

For the year ended 31 December 2006, the Group recorded a turnover of HK\$624 million, representing a growth of 13.5%. This was mainly attributable to the growth in market demand for the Group’s products, encouraging sales of products of the newly launched brand “COMFIT” and the benefits brought forth by the increase in the number of retail outlets. The increase in turnover led to further realization of economies of scale, which added to the successful launch of a number of patented products to drive the growth of 1.6 percentage points in gross profit margin, from 75.1% in 2005 to 76.7%. During the year, the Group achieved a new record in profit attributable to shareholders, which surged 82.5% from HK\$44.4 million to HK\$81.1 million and exceeded the profit forecast of HK\$77.0 million stated in the listing prospectus published on 5 December 2006.

Earnings per share of the Group amounted to HK26.69 cents. The Board of Directors proposed the payment of HK6.0 cents per share as the final dividend for the year.

Reviewing the Group's development in 2006, Mr. Cheng Man Tai, Chairman of Embry, said, "The success of the Group's listing on the Main Board of The Stock Exchange of Hong Kong Limited on 18 December 2006 not only represents an important cornerstone of our development, but also opens a new page of our business growth. We have received an overwhelming support from institutional and retail investors and raised a total amount of HK\$362 million, providing ample financial resources for the Group's future development. Upon listing, the Group tapped into the international capital market, which not only consolidated Embry's leading brand position in the PRC lingerie market but also further enhanced the Group's corporate governance and financial position."

During the year under review, Embry posted a remarkable result in its brand business. Its two major brands, EMBRY FORM and FANDECIE, continued to record significant growth. EMBRY FORM, the signature brand of the Group, was awarded as "The 2006 Best-selling Lingerie Products in the Industry" by China Industrial Information Issuing Center. It has been the 11th consecutive year for EMBRY FORM to rank the first in volume, sales and market share. In addition, FANDECIE, an energetic lingerie brand of the Group was also officially awarded one of the "Top 10 Best Sellers in the Industry in 2006".

In terms of sales, turnover of EMBRY FORM branded products reached HK\$387 million, representing an increase of 10.6% and accounting for 62.0% of total turnover. As for FANDECIE, turnover increased 11.2% to HK\$188 million and accounted for 30.1% of total turnover. The two brands maintained stable business growth during the year.

The Group continues to capture market opportunities while consolidating the leading position of its brands. In 2006, the Group introduced two new brands, namely COMFIT and LC, so as to meet different customer needs and further diversify its product portfolio. In future, the Group will depend on market demand to set up individual retail stores or concessionary counters for COMFIT and LC.

For the year under review, Embry continued to increase the number of retail outlets to stay abreast with the rapid market growth. As at 31 December 2006, the total number of retail outlets of the Group increased to 1,113, spanning across all major cities in China, Hong Kong and Macau, and fortified its leading position as a national lingerie brand and retail enterprise.

In addition, construction of the Group's third production base located in Zhangqiu City of Shandong Province will be commenced in the second quarter of 2007 to realize its plan of constructing large-scale production facilities. The new factory is expected to commence operation in mid 2008. Upon full operation, the annual production capacity of the Group is expected to increase to 23.7 million standard product units, catering to strong market demand and establishing solid foundation for future development. As at 31 December 2006, Embry's annual production capacity reached 11.8 million standard product units as compared with 7.2 million standard product units by the end of 2005.

Looking forward, Mr. Cheng said, "The flourishing China's economy and the positive trend going forward contributed to the strong retail consumption behavior. This, coupled with the rise in disposable income per capita and gross domestic production, demonstrated immense purchasing power of the population and created a favorable operation environment for the Group. We believe overall retail business will continue to grow."

He continued, "The Group is dedicated to capturing arising market opportunities and achieving sustainable growth in turnover and profit. Leveraging on our unrivalled market leading position, strong brand equity and diversified product mix, the Group's professional management team will fully utilize its competitive edges and optimize its sales network and maintain robust business development by adding a total of 300 retail outlets in China and Hong Kong. The Group's first flagship retail store will be opened in the second quarter of 2007 and the Group will accelerate the progress of opening its flagship stores and retail outlets from the second quarter of 2007."

"Meanwhile, the Group will proactively strengthen market promotion to enhance brand awareness and boost sales performance. Capitalizing on its research and development capabilities, the Group is committed to introduce more quality lingerie products with innovative design, in order to offer better choices to consumers and embark on a new era of development in the lingerie retail industry."

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About Embry Holdings:

Embry is a leading lingerie brand owner and retailer in China, which is principally engaged in the design, manufacture and distribution of ladies' lingerie, swimwears, sleepwears and related accessories. The Group has established an extensive retail network comprising over 1,000 outlets covering major cities in the PRC including Hong Kong and Macau, and two well equipped production bases in Shenzhen and Changzhou. Embry has four self-owned brands, namely "EMBRY FORM", "FANDECIE", "COMFIT" and "LIZA CHENG". Each of the four brands is targeted at different customer group and therefore products under each brand have their unique design and characteristics to fit in the needs of the targeted customers. "EMBRY FORM", the signature brand of the Group, was awarded as "The 2006 Best-selling Lingerie Products in the Industry" by China Industrial Information Issuing Center. It has been the 11th consecutive year for "EMBRY FORM" to rank the first in volume, sales and market share. In addition, "FANDECIE", an energetic lingerie brand of the Group was also officially awarded one of the "Top 10 Best Sellers in the Industry in 2006".

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