

(For Immediate Release)



**Embry Holdings Limited
Announces 2014 Annual Results**

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**Profit attributable to owners of the Company was HK\$188 million
Excluding foreign currency impact, net profit climbed 7.25%**

Financial Highlights:

HK\$'000	For the year ended 31 December		
	2014	2013	Change
Revenue	2,383,127	2,234,763	+6.64%
Gross profit	1,960,205	1,796,883	+9.09%
Gross profit margin	82.25%	80.41%	+1.84p.p.
Profit attributable to owners of the Company	188,093	198,369	-5.18%
Profit attributable to owners of the Company (Excluding the impact of foreign exchange differences)	195,868	182,635	+7.25%
Basic earnings per share (HK cents)	45.14	47.61	-5.19%
Final dividend per share (HK cents)	8.00	8.00	N/A
Special dividend per share (HK cents)	2.00	2.00	N/A
Total (HK cents)	10.00	10.00	N/A

(24 March 2015 – Hong Kong) **Embry Holdings Limited** (“Embry Group” or the “Group”; Stock Code: 1388), the leading lingerie brand owner and retailer in China, announces today its annual results for the year ended 31 December 2014 (the “Current Year”).

During the Current Year, the Group’s revenue grew by 6.64% to HK\$2,383,127,000. Gross profit margin increased by 1.84 percentage points to 82.25%. Excluding the impact of foreign exchange differences, net profit increased by 7.25% to HK\$195,868,000. Earnings per share were HK45.14 cents (2013: HK47.61 cents). The Board of Directors of the Company resolved to declare a final dividend of HK8.00 cents per share (2013: HK8.00 cents) and a special dividend of HK2.00 cents per share (2013: HK2.00 cents) for the Current Year which, together with the interim dividend of HK4.00 cents per share (2013: HK4.00 cents) distributed, will bring the total dividend for the Current Year to HK14.00 cents per share.

Commenting on the Group’s results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry Group, said, “Affected by the weak consumer sentiment in China’s retail sector, the Group’s revenue for the fourth quarter remained flat year on year, inhibiting growth for the entire year. With its multi-brand strategy in place, however, the Group rallied the promotional efforts for different brands in its product portfolio to satisfy the customer demand amid a volatile market environment, thus maintaining steady growth in the overall sales.”

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The Group continued to allocate internal resources flexibly and to focus on promoting brands that have great market potential but lower market penetration, such as **E-BRA**. In addition, the Group invested resources in developing such new brands as **IADORE** and **IVU**. Particularly, the male underwear **IVU** successfully made its way to a variety of high-end department stores since its trial launch one year ago. With positive feedback from consumers, the annual sales contributed over HK\$30 million, representing an encouraging result.

Among the brands, **EMBRY FORM**'s revenue increased by 3.05% to HK\$1,124,662,000. **FANDECIE**'s revenue increased by 2.73% to HK\$742,175,000. **COMFIT**'s revenue increased by 2.53% to HK\$191,360,000. **E-BRA**'s revenue grew by 22.91% to HK\$228,771,000. **LIZA CHENG**'s revenue grew by 20.71% to HK\$30,794,000. New brands **IADORE** and **IVU**, which were in the start-up stage, recorded revenues of HK\$21,346,000 and HK\$34,637,000 respectively.

Revenue from the retail sales increased by 7.78% to HK\$2,021,136,000, accounting for 84.81% of the Group's total revenue. Revenue from the wholesale business increased by 3.81% to HK\$276,885,000. Revenue from the Group's direct online sales channels decreased by 10.25% to HK\$75,724,000.

Selling and distribution expenses increased as a percentage of turnover, mainly attributable to the slowing revenue growth, causing a decline in the Group's overall operating efficiency. In 2015, to alleviate the pressure of the rising cost ratio, the Group plans to close retail outlets that report low profits for the purpose of enhancing our operating efficiency. We aim to bring the cost ratio down to a reasonable level in 2015.

As at 31 December 2014, the Group operated a total of 2,317 retail outlets, a net increase of 45.

Looking ahead to 2015, the global political and economic conditions are uncertain. As such, the Group will adopt a cautiously optimistic approach to upcoming market challenges. The Group will adhere to its multi-brand strategy with a focus on the development of **E-BRA**, at the same time allocating resources to the brand development of **IADORE**. By increasing the market penetration in third-tier cities through franchised sales channels, the Group will timely tap the potential demand that will arise from the urbanisation for better business growth.

The Group will also exercise more caution by gauging both the market environment and the outlet operation efficiency closely. The Group will strictly control the sales expenses, and appropriately adjust and optimise the network to enhance overall operating efficiency. The Group expects that the number of retail outlets in 2015 will approximate that achieved at the end of 2014.

Ms. Cheng concluded, "Despite a challenging business environment in the short term, the Group believes there remains huge potential in China's underwear market. The Group will utilise its flexible and powerful multi-brand strategy, adopt a sound and pragmatic approach to its development, continuously optimise its sales network, and enrich its product portfolio through innovation. These measures will reinforce the Group's leading position in the retail market, foster long-term and steady business growth and generate satisfactory returns to its shareholders."

About Embry Holdings:

Embry is a leading lingerie brand owner and retailer in China, which has established an extensive retail network comprising over 2,300 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates seven brands namely, **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IADORE**, **LIZA CHENG** and **IVU** with each of them targeting at different customers. **EMBRY FORM**, the signature brand of the Group, was awarded “**The Best-Selling Lingerie Products in the Industry in China in terms of Volume, Sales and Market Share**” by the China Industrial Information Issuing Centre again. It has been the 19th consecutive year for **EMBRY FORM** to rank number one in terms of volume, sales and market share. In addition, **FANDECIE**, another brand of the Group, was also officially named one of the “**Top 10 Best Sellers in the Industry in China**” for the 9th consecutive year.

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