

(For Immediate Release)



**Embry Holdings Limited  
Announces 2012 Annual Results**

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**Revenue Increased by 17.7% to HK\$1,995 million  
Net Profit Rose by 14.5% to HK\$184 million**

**Financial Highlights:**

HK\$'000	For the year ended 31 December		
	2012	2011	Change
Revenue	<b>1,995,356</b>	1,694,987	+17.72%
Gross profit	<b>1,620,139</b>	1,394,372	+16.19%
Gross profit margin	<b>81.20%</b>	82.26%	-1.06pts
Profit attributable to owners of the Company	<b>183,562</b>	160,283	+14.52%
Basic earnings per share (HK cents)	<b>44.38</b>	39.15	+13.36%
Final dividend per share (HK cents)	<b>7.00</b>	7.00	N/A
Special dividend per share (HK cents)	<b>2.00</b>	2.00	N/A
Total (HK cents)	<b>9.00</b>	9.00	N/A

(25 March 2013 – Hong Kong) **Embry Holdings Limited** (“Embry” or the “Group”; Stock Code: 1388), the leading lingerie brand owner and retailer in China, announced today its annual results for the year ended 31 December 2012 (the “Current Year”).

During the year under review, the Group’s revenue grew by 17.72% over that of the year ended 31 December 2011 (the “Prior Year”) to HK\$1,995,356,000. The increase in selling and distribution expenses during the year approximated that of revenue, up by 18.95%. Profit attributable to owners of the Company was HK\$183,562,000, which increased by 14.52% compared against that of the Prior Year. Earnings per share amounted to HK44.38 cents (2011: HK39.15 cents), representing an increase of 13.36%. The Board of Directors of the Company resolved to declare a final dividend of HK7.00 cents per share (2011: HK7.00 cents) and a special dividend of HK2.00 cents per share (2011: HK2.00 cents) for the Current Year. Together with the interim dividend of HK4.00 cents per share (2011:HK3.00 cents) distributed, the dividend on an annual basis was HK13.00 cents per share, representing an increase of 8.33% over the Prior Year.

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The financial position of the Group remained sound and healthy during the Current Year. As at 31 December 2012, the Group's cash and cash equivalents amounted to approximately HK\$382,796,000, representing an increase of HK\$203,189,000 when compared to 31 December 2011. The Group was in a net cash position, with gearing ratio of 12.42% as at 31 December 2012.

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "In 2012, economic growth slowed down constantly in China, which weighed on the retail sector and the impact was even stronger in the second half of the year. During the year, the Group flexibly adopted a multi-brand strategy and introduced a new brand **IADORE** at the end of the year. The new brand is positioned as affordable pricing, which has further broadened the Group's brands portfolio. Meanwhile, the Group also consolidated and optimised its sales network to improve the performance of its stores. To cope with the challenges brought about by the market environment, the Group stepped up its efforts in promotions and advertising in order to mitigate the adverse effects on sales caused by the economic slowdown in the second half. With these measures in place, the Group's business continued to perform satisfactorily."

To cope with the market changes, the Group continued to leverage its multi-brand strategy, made better use of its resources, and focused on promoting high-potential brands with low penetration rate, such as **COMFIT** and **E-BRA**. As a result of these efforts, both brands attained satisfactory growth during the year. To seize the opportunities arising from the stronger purchasing power in the second- and third-tier cities, the Group officially launched a new brand **IADORE** in December 2012. The number of brands operated by the Group has increased to six: **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IADORE** and **LIZA CHENG**. **IADORE** boasts a fresh and fashionable image that appeals to the customer group with increasing purchasing power. The debut of the brand has gained positive market response.

During the Current Year, sales growth was attained for each of the six brands of the Group. **EMBRY FORM**, our signature brand, is the main source of income for the Group with a sales increase of 15.77% to HK\$1,036,824,000. **FANDECIE** contributed to 9.14% growth, with revenue increasing to HK\$635,229,000. **COMFIT** achieved better performance, revenue of which grew by 69.00% over the Prior Year to HK\$150,662,000. **E-BRA** recorded revenue growth of 40.84% over the Prior Year to HK\$153,196,000. In respect of **LIZA CHENG**, revenue for the Current Year increased by 104.35% to HK\$12,120,000. **IADORE** remained at the infant stage, thus accounting for an insignificant proportion of the Group's total sales.

During the Current Year, revenue from the retail sales was HK\$1,681,051,000, accounting for 84.25% of the Group's total revenue and representing an increase of 19.29% over the Prior Year. Revenue of the wholesale business increased by 3.96% from HK\$244,990,000 to HK\$254,694,000. In addition, income derived from the Group's direct online sales channels recorded an increase, and generated a revenue contribution of HK\$52,856,000, representing growth of 93.51% as compared against the Prior Year.

During the Current Year, selling and distribution expenses increased by 18.95%, representing 60.63% (2011: 60.01%) of the Group's revenue, which generally increased at the same pace as revenue.

During the Current Year, the number of retail outlets of the Group registered a net increase of 45. As at 31 December 2012, the Group operated a total of 2,121 retail outlets. Among them were 1,932 and 189 concessionary counters and stores respectively.

Ms. Cheng concluded, "Looking into 2013, global economic outlook remains uncertain. In addition, the debt crisis in Europe, the sluggish US economy, as well as the continued slowdown in China's economy, will likely paint a bleak picture and may dampen consumer confidence. The Group constantly maintains a prudent but positive attitude over its business development, and closely monitors the market conditions. While fostering new brands, the Group continues to sharpen the competitive edges of its core brands. In the second half year, the Group plans to roll out men's underwear brand **IVU**. In addition, the Group will exercise precaution over the expansion and optimisation of its sales network. Striking a balance between speed and efficiency of network expansion, the Group plans to increase additional retail outlets of approximately 150 for 2013, while vigorously enhancing the performance of its stores. The Group will leverage its powerful multi-brand edges as well as sound and pragmatic development strategies, and constantly optimise its sales network and develop an enriched diversity of innovative product portfolio in order to fortify the Group's leading position in the retail market, thereby fostering long-term and steady business growth and creating satisfactory returns for our shareholders."

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#### **About Embry Holdings:**

Embry is a leading lingerie brand owner and retailer in China, which has established an extensive retail network comprising over 2,000 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates six brands namely, **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **IADORE** and **LIZA CHENG** 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 17th 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 seventh consecutive year.

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