

(For Immediate Release)



**Embry Holdings Limited
Announces 2013 Interim Results**

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**Revenue Increased by 10.87% to over HK\$1.1 billion
Net Profit Rose by 9.34% to HK\$124 million**

Financial Highlights:

HK\$'000	For the six months ended 30 June		
	2013	2012	Change
Revenue	1,135,463	1,024,167	+10.87%
Gross profit	911,674	831,568	+9.63%
Gross profit margin	80.29%	81.19%	-0.90pts
Profit attributable to owners of the Company	123,953	113,363	+9.34%
Basic earnings per share (HK cents)	29.75	27.51	+8.14%
Interim dividend per share (HK cents)	4.00	4.00	N/A

(26 August 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 interim results for the six months ended 30 June 2013 (the "Current Period").

During the Current Period, the Group's revenue grew by 10.87% over that for the six months ended 30 June 2012 (the "Prior Period") to HK\$1,135,463,000. Profit attributable to owners of the Company increased by 9.34% to HK\$123,953,000. Earnings per share rose by 8.14% to HK29.75 cents (2012: HK27.51 cents). The Board of Directors of the Company has resolved to declare an interim dividend of HK4.00 cents per share (2012: HK4.00 cents) for the Current Period.

The financial position of the Group remained sound and healthy during the Current Period. As at 30 June 2013, the Group's cash and cash equivalents amounted to approximately HK\$414,267,000, representing an increase of 8.22% when compared to 31 December 2012. The Group was in a net cash position, with gearing ratio of 9.74% as at 30 June 2013.

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Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "The economic growth of China continued to slow down in the first half of 2013, consumer sentiment has become increasingly cautious amid the uncertain economic environment. To mitigate the negative impact of the uncertain business environment, the Group focused on promoting the sustainable development of business by implementing appropriate and cautious business development policy, adopting a flexible multi-brand strategy and fully capitalising on the optimised sales network."

In the first half of 2013, consumers became more cautious in spending, and more sensitive to product prices. The Group's multi-brand strategy manifested its competitiveness amid the challenging market environment. During the Current Period, the Group focused on promoting high-potential brands with low penetration rates, such as **COMFIT** and **E-BRA**. At the same time, to capture the opportunities arising from the stronger purchasing power in the second- and third-tier markets, the Group launched a new brand **IADORE** at the end of 2012. **IADORE** products present a fresh and fashionable image and have gained positive market response since product launch.

During the Current Period, each of the six brands attained sales growth. **EMBRY FORM**, our signature brand, is the main source of income for the Group with a sales increase of 6.13% to HK\$565,626,000. The revenue of **FANDECIE** increased by 6.30% over the Prior Period to HK\$358,898,000. **COMFIT** achieved outstanding performance as its revenue grew by 31.55% over the Prior Period to HK\$96,854,000. **E-BRA** recorded a revenue growth of 32.27% over the Prior Period to HK\$95,312,000. During the Current Period, revenue of **LIZA CHENG** increased by 119.27% to HK\$11,198,000. **IADORE** achieved satisfactory results and recorded a revenue of HK\$3,621,000 for the Current Period. Since **IADORE** was in its start-up stage, its contribution to the Group's total sales was insignificant. The brands' respective proportions in the revenue mainly reflected their change of business focus in response to market development.

During the Current Period, revenue from the retail sales was HK\$957,931,000, accounting for 84.36% of the Group's total revenue and representing an increase of 8.65% over the Prior Period. Revenue of the wholesale business increased by 10.82% to HK\$139,353,000. In addition, revenue from the Group's direct online sales channels increased by 146.17% year-on-year to HK\$34,348,000.

In terms of costing, although rising labour costs led to increasing pressure on operating costs, the Group's business expansion brought about better economy of scale and enhanced brand equity. As a result, the Group's gross profit margin remained relatively stable at a high level. During the Current Period, gross profit margin was approximately 80.29%, down slightly from that for the Prior Period. In addition, selling and distribution expenses increased by 12.87%, accounting for 58.92% (2012: 57.87%) of the Group's revenue, which generally increased at the same pace as revenue.

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The Group continued to efficiently expand and optimise its sales network, so as to offset the negative impact of the uncertain economic environment in retail market. During the Current Period, the number of retail outlets of the Group registered a net increase of 86 to 2,207 outlets as at 30 June 2013. Among them were 2,026 and 181 concessionary counters and stores respectively.

Ms. Cheng concluded, "In the second half of 2013, the Group will adopt a cautiously optimistic approach over its business development. The Group will continue to capitalise on opportunities arising from its multi-brand strategy. It will continue to enhance the competitiveness of its core brands and, at the same time, foster new brands. The Group will enrich its product portfolio and give new momentum to the business diversification by launching the men's underwear brand **IVU** in the second half of the year. In addition, the Group will also continue to optimise its sales network, enhance the efficiency of its stores and continue to fulfill the target of a net increase of 150 retail outlets for the year to fuel the business growth for the year. Although the business environment is ever changing, the Group believes that potential demand in China's underwear market remains enormous. The Group will continue to utilise its flexible and powerful multi-brand strategy, adopt a sound and pragmatic approach to its development, 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 the long-term and steady business growth and create satisfactory returns for its 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 2,200 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 win this award. 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 seven consecutive years.

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