

(For Immediate Release)



**Embry Holdings Limited
Announces 2012 Interim Results**

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**Revenue Increased by 21.7% to HK\$1,024 million
Net Profit Rose by 23.1% to HK\$113 million**

Financial Highlights:

HK\$'000	For the six months ended 30 June		
	2012	2011	Change
Revenue	1,024,167	841,283	+21.74%
Gross profit	831,568	685,326	+21.34%
Gross profit margin	81.19%	81.46%	-0.27pts
Profit attributable to owners of the Company	113,363	92,089	+23.10%
Basic earnings per share (HK cents)	27.51	22.55	+22.00%
Interim dividend per share (HK cents)	4.00	3.00	+33.33%

(28 August 2012 – 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 2012 (the "Current Period").

During the period under review, the Group's revenue grew by 21.74% over that of the six months ended 30 June 2011 (the "Prior Period") to HK\$1,024,167,000. Selling and distribution expenses increased in the same pace as revenue, up 22.79%. Profit attributable to owners of the Company was HK\$113,363,000, increasing by 23.10% when compared with the Prior Period. Earnings per share amounted to HK27.51 cents (2011: HK22.55 cents), representing an increase of 22.00%. The Board of Directors of the Company has resolved to declare an interim dividend of HK4.00 cents (2011: HK3.00 cents) for the Current Period.

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The financial position of the Group remained sound and healthy during the Current Period. As at 30 June 2012, the Group's cash and cash equivalents amounted to approximately HK\$299,697,000, representing an increase of HK\$120,090,000 when compared to 31 December 2011. The Group was in a net cash position, with net gearing ratio of 14.41% as at 30 June 2012.

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "During the first half of 2012, the debt crisis in Europe continued to worsen and dampen the global economy. The central government has taken mild regulatory measures and economic stimulus policies to contain inflation and encourage domestic consumption, in order to maintain steady development of the economy. External trade, however, was influenced by the external economic landscape, which resulted in its continuous sluggish growth and affected the overall retail and consumer market to a certain extent. In view of the uncertain macro-economic environment, the Group prudently formulated its business development plan and flexibly adopted its multi-brand strategy. The Group also consolidated and optimised its sales network and adjusted the pace of store opening in order to further strengthen the business foundation and promote its sustainable and healthy business growth."

Consumer sentiment fell with the prevailing complex and volatile economic environment in which consumers became more cautious. The Group's multi-brand competitiveness was more obvious in this operating environment. During the Current Period, sales growth was attained for each of the five brands that the Group currently operates, namely **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA** and **LIZA CHENG**. **EMBRY FORM**, our signature brand, is the main source of income for the Group with a sales increase of 20.09% to HK\$532,973,000. The revenue of **FANDECIE** grew 16.40% to HK\$337,638,000 over the Prior Period. The slowdown of growth was mainly attributable to the Group's sales network adjustment during the period. **COMFIT** achieved satisfactory performance, with revenue growing 75.93% to HK\$73,628,000 over the Prior Period. **E-BRA** recorded revenue growth of 34.22% over the Prior Period to HK\$72,056,000. During the Current Period, the revenue of **LIZA CHENG** increased by 86.18% to HK\$5,107,000, accounting for an insignificant proportion of the Group's total revenue.

Retail sales for the Current Period amounted to HK\$881,699,000, accounting for 86.09% of the Group's total revenue and representing an increase of 24.67% over the Prior Period. Sales of the wholesale business increased by 8.20% from HK\$116,224,000 to HK\$125,750,000. Moreover, the direct online sales channels of the Group, which used the electronic network as a sales platform for the selling of a diverse range of brand products of the Group, generated a revenue contribution of HK\$13,953,000, representing growth of 59.48% when compared with the Prior Period.

During the Current Period, selling and distribution expenses increased by 22.79%, representing 57.87% (2011: 57.37%) of the Group's revenue, with expenses to revenue ratio remaining stable. The rise in staff costs continued to pressure operating costs; while expenditure on advertising and decoration of retail outlets rose 20.02% to HK\$56,172,000, accounting for 5.48% (2011: 5.56%) of the Group's revenue.

During the Current Period, the number of retail outlets of the Group registered a net decrease of 57. As at 30 June 2012, the Group operated a total of 2,019 retail outlets. Out of these outlets, the number of concessionary counters and stores were 1,816 and 203 respectively.

Ms. Cheng concluded, "The outlook of the second half of the year 2012 remains volatile. The Group will remain cautiously optimistic and pay close attention to market conditions. In view of the numerous uncertainties in the current market condition, the Group exercised extra caution in its business development planning. The Group has decided to adjust the store-opening target to around 50 retail outlets for the year and to regulate the pace of the preliminary planning work of the phase II development of the Shandong plant. The Group will take the initiative to study the possibility of business expansion this year, whilst also exploring the potential of the male underwear market, with an aim to further expand its product portfolio to support sustainable business development. Armed with the Group's strong multi-brand edges and prudent yet practical development strategies, the Group will constantly optimise its sales network and develop an enriched diversity of innovative product portfolio in order to seize the opportunities arising from market changes and 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 five brands namely, **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA** 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 16th 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 sixth consecutive year.

For further information, please contact:

iPR Ogilvy Ltd.

Charis Yau/ Juliana Li/ Zoe Yiu

Tel: (852) 2136 6183/ 2169 0467/ 3920 7678

Fax: (852) 3170 6606

Email: charis.yau@iprogilvy.com/ juliana.li@iprogilvy.com/zoe.yiu@iprogilvy.com