

(For Immediate Release)



Embry Announces 2010 Annual Results

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Revenue Increased by 14.77% to HK\$1,349,846,000

Retail Network Expanded to Over 1,800 Outlets

Total dividends per share Increased by 10.00%

Financial Highlights:

HK\$'000	For the year ended 31 December		
	2010	2009	Change (%)
Revenue	1,349,846	1,176,089	+14.77
Gross profit	1,086,116	941,189	+15.40
Gross profit margin	80.46%	80.03%	+0.43 pts
Profit attributable to owners of the Company	126,189	114,188	+10.51
Earnings per share – Basic (HK cents)	31.21	28.44	+9.74
Final dividend per share (HK cents)	5.00	5.00	-
Special dividend per share (HK cents)	3.00	2.00	+50.00

(31 March 2011 – 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 2010 (the “Current Year”).

Benefiting from the improved consumer market, the Group achieved a satisfactory performance in 2010. The Group’s revenue increased by 14.77% to HK\$1,349,846,000 as compared to the year ended 31 December 2009 (the “Prior Year”). The growth in revenue was mainly attributable to the Group’s well defined brand positioning strategy, expanded sales network and positive feedbacks from promotional activities, which in turn increased sales volume. Enhanced awareness of the Group’s brands and the rise in average selling prices as a result of more diversified application of patents also contributed to the growth in revenue. The Group’s gross profit was HK\$1,086,116,000 in the Current Year, representing a growth of approximately 15.40% over the Prior Year. The overall gross profit margin was 80.46%, which represents an increase of 0.43 percentage points over the Prior Year.

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Profit attributable to owners of the Company increased by 10.51% to HK\$126,189,000 as compared to the Prior Year. Earnings per share was HK31.21 cents (2009: HK28.44 cents). The Board of Directors has resolved to distribute a final dividend of HK5.00 cents and a special dividend of HK3.00 cents per share for the Current Year. Together with the distributed interim dividend of HK3.00 cents, total dividend for the year amounted to HK11.00 cents per share, representing a 10.00% increase over the Prior Year.

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "During the Current Year, the Group took advantage of its multi-brand strategy and differentiated positioning and pricing of each brand to meet the demand and tastes of different consumers, thereby expanding its market share. With the 35th anniversary of the Group and the inauguration of the Embry Tower in Shanghai as a theme, the Group organised a series of brand promoting activities in 2010 so as to further enhance its brand equity, and ultimately to strengthen the Group's leading position in the domestic lingerie market."

Revenue from Mainland China grew rapidly to HK\$1,244,878,000, accounting for 92.22% of the Group's revenue and representing an increase of 18.62% over the Prior Year.

The Group launched a new brand, **E-BRA**, in the fourth quarter of 2010. This is the fifth brand that the Group owns. It is positioned as a brand catering to the mass market with more affordable prices so as to attract customers with relatively basic consumption needs. The initial sales performance of **E-BRA** showed encouraging results. In order to enhance the new image of **FANDECIE**, during the Current Year, the Group has increased its investment in the renovation of the **FANDECIE** stores. The stores portrayed an innovative and unique image of the young and energetic **FANDECIE**. These initiatives have been well received by the market.

Following the introduction of **E-BRA**, the number of brands operated by the Group has increased to five, namely **EMBRY FORM**, **FANDECIE**, **COMFIT**, **LC** and **E-BRA**, with revenue growth recorded across all five brands. The Group's signature brand, **EMBRY FORM**, continued its upward trend in sales and increased by 12.48% to HK\$748,456,000. Revenue from **FANDECIE** increased by 17.16% to HK\$487,680,000. **COMFIT**, which emphasizes functionality and quality, gradually gained recognition and enjoyed a remarkable growth of 24.05% to HK\$83,115,000 as compared with the Prior Year. **E-BRA**, which was launched in the fourth quarter of 2010, expanded the channels of revenue for the Group and recorded a revenue of HK\$11,800,000. In respect of **LC**, which is positioned as a luxurious brand, revenue increased to HK\$3,090,000, primarily attributable to the introduction of new products during the Current Year.

Retail sales amounted to HK\$1,162,365,000, accounting for 86.11% of the Group's revenue and representing an increase of 13.19% from the Prior Year. Sales of the wholesale business increased by 40.76% from HK\$122,038,000 to HK\$171,776,000 in the Current Year. On the other hand, revenue from the ODM business dropped as the Group had focused on the production of its own branded products during the Current Year.

During the Current Year, the Group continued to optimise and expand its retail network to reach a broader segment of consumers. It has gradually shifted the focus of store expansion from prime locations in traditional major cities to peripheral areas of first-tier cities as well as to second- and third-tier cities in order to acquire the opportunities brought about by changes in the economic environment. Furthermore, the Group's flagship store in Shanghai was opened in December 2010 and contributed significantly to the enhancement of its brand image. The Group had a net increase of 201 retail outlets nationwide during the Current Year. As at 31 December 2010, the Group operated a total of 1,881 retail outlets, which comprised 1,719 concessionary counters and 162 retail shops.

The Group currently has three production bases located in Shenzhen, Changzhou and Jinan. As at 31 December 2010, the Group's aggregate annual production capacity of amounted to 21,200,000 standard product units. In order to satisfy the increasing market demand, the Group aimed to more efficiently utilise its production plants and to achieve a better economy of scale by recruiting additional labour and providing better staff training to its workers.

Ms. Cheng concluded: "2011 marks the first year of the 'Twelfth Five-Year Plan' of China. Being the leading lingerie enterprise in China, the Group will monitor the domestic economic environment closely with a view to capturing development opportunities in the changing market. The Group will continue to develop its sales network in the peripheral areas of major cities and in the second- and third-tier cities in China with the goal to add approximately 150 retail outlets across the country. Meanwhile, the Group will also actively utilise its strength in its sales network to nurture **E-BRA**, and refine its image and brand strategy in order to build a solid foundation for its future growth. On the other hand, following the inauguration of the Embry Tower in Shanghai, the Group's sales and research and development functions will work in collaboration with other parts of the Group in Hong Kong, Shenzhen, Changzhou and Jinan to better position itself to respond to consumers' demand more efficiently and effectively. The Group will continue to offer quality lingerie products and services and to disseminate the lingerie culture in 'comfort, style, technology and environmental-protection. The Group is confident of bringing satisfactory return to the shareholders in the year of 2011."

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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 1,881 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates five brands, namely **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA** and **LC** 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" by the China Industrial Information Issuing Centre again. It has been the 15th consecutive year for **EMBRY FORM** to rank number one in terms of volume, sales and market share. In addition, **FANDECIE**, an energetic lingerie brand of the Group, was also officially named one of the "Top 10 Best Sellers in the Industry in China" from 2006 to 2010 in five consecutive years.

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