

(For Immediate Release)



## Embry Announces 2010 Interim Results

\*\*\* \*\*

**Revenue Increased by 13.3% to HK\$687,187,000**  
**Profit Attributable to Owners of the Company**  
**Rose by 30.6% to HK\$80,753,000**

### Financial Highlights:

HK\$'000	For the six months ended 30 June		
	2010	2009	Change (%)
Revenue	<b>687,187</b>	606,599	+13.3
Gross profit	<b>546,495</b>	481,164	+13.6
Gross profit margin	<b>79.5%</b>	79.3%	+0.2% pts
Profit attributable to owners of the Company	<b>80,753</b>	61,831	+30.6
Earnings per share – Basic (HK cents)	<b>20.04</b>	15.41	+30.0
Interim dividend per share (HK cents)	<b>3.0</b>	3.0	–

(31 August 2010 – 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 2010 (the “Current Period”).

During the review period, the Group continued to achieve revenue growth. The Group’s revenue was HK\$687,187,000, representing a growth of 13.3% as compared to the six months ended 30 June 2009 (the “Prior Period”). The increase was mainly attributable to both an increase in sales volume and average selling price. Increase in sales volume was mainly the result of both an expanded sales network and the positive feedbacks from promotional activities, gross profit margin remained relatively stable and stood at 79.5% for the Current Period. The Group’s gross profit was HK\$546,495,000, representing a year-on-year growth of 13.6%.

- Cont’d-

Profit attributable to owners of the Company grew by 30.6% to HK\$80,753,000. Basic earnings per share increased by 30.0% to HK20.04 cents. The Board has resolved to declare an interim dividend of HK3.0 cents per share.

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "Benefiting from a series of measures implemented by the Chinese government in response to the international financial crisis, which proactively pushed forward the transformation of economic development and the adjustment of economic structure, China's economic growth sustained its good momentum. As a leading lingerie enterprise in China, Embry's excellent brand reputation was reinforced during the Current Period. The Group has also strategically expanded its retail network and enhanced operational efficiency so as to further strengthen its foundation for delivering positive contribution to its business performance."

For the Current Period, retail sales amounted to HK\$600,932,000, accounting for 87.4% of the Group's revenue and representing an increase of 13.0% over the Prior Period. Wholesale business increased by 34.4% to HK\$79,715,000. Mainland China remained as the Group's core market. Revenue from Mainland China was HK\$635,321,000, accounting for 92.5% of the Group's revenue and representing an increase of 17.0% over the Prior Period.

As for brands, the Group adopts a multi-brand strategy, aiming to capture customers from different consumer segments and broaden the Group's business foundation. During the Current Period, **COMFIT**, which emphasizes functionality and quality, enjoyed a remarkable growth of 21.9% to HK\$43,421,000. **FANDECIE** continued to be another growth driver, with its sales rising by 19.9% to HK\$252,639,000. The Group's flagship brand **EMBRY FORM** continued its rising trend in sales and increased by 11.2% to HK\$383,152,000.

During the Current Period, the Group launched various promotional initiatives in celebration of its 35<sup>th</sup> anniversary, including "EMBRY Show Time" roadshow in various major cities. Such activities not only complemented other regular marketing promotion to further enhance brand awareness, but also strengthened the Group's business relationship with the shopping mall operators and distributors.

The Group continued to optimize and expand the retail network and extended its geographical reach strategically in China's first- and second-tier cities as well as coastal regions by adding more retail outlets. During the Current Period, the Group had a net increase of 32 retail outlets. As at 30 June 2010, the Group operated a total of 1,712 retail outlets, which comprised 1,575 concessionary counters and 137 retail shops.

The Group currently has three production bases, located in Shenzhen, Shandong and Changzhou respectively. As at 30 June 2010, the aggregate annual production capacity of the Group amounted to 16,600,000 standard product units. Expansion of the Shandong production plant increased the Group's production capacity to meet the growing market demand.

Ms. Cheng concluded: "In view of the current economic environment and the progress of its business development, the Group remains prudently optimistic about the outlook of the second half of the year. The Group is on target to open over 100 retail outlets in China by the end of this year. The Group will open a flagship store in Shanghai by the beginning of next year and preparation work is on schedule. To complement the celebration of its 35<sup>th</sup> anniversary, the Group will also launch another round of marketing activities in the second half of the year to boost sales performance. In view of the immense market potential in China's second- and third-tier cities, the Group has decided to launch a new brand, **E-BRA**, in the fourth quarter. **E-BRA** will be positioned as a mass-market brand with prices relatively lower than those of the Group's other brands. The Group plans to sell these products mainly through wholesale channels. The launch of **E-BRA** will further broaden the Group's customer base, thus providing a new momentum for growth. Capitalizing on the Group's brand reputation and continuous improvement of its retail network and products, the Group is confident to deliver satisfactory returns to its shareholders in the second half of 2010."

*-End-*

**About Embry Holdings:**

Embry is a leading lingerie brand owner and retailer in China, which has established an extensive retail network comprising 1,712 outlets that cover major cities in the PRC, including Hong Kong and Macau. Embry operates three major brands, namely **EMBRY FORM**, **FANDECIE** and **COMFIT**, each of which targets at different customers. **EMBRY FORM**, the signature brand of the Group, was awarded "The 2009 Best-selling Lingerie Products in the Industry in China in terms of Volume, Sales and Market Share" by the China Industrial Information Issuing Centre. It has been the 14th consecutive year for **EMBRY FORM** to rank number one. In addition, **FANDECIE**, a younger lingerie brand of the Group, was also officially named one of the "Top 10 Best Sellers in the Industry in China" from 2006 to 2009 for four consecutive years.

For further information, please contact:

**iPR Ogilvy Ltd.**

Athena Chan/ Juliana Li/ Charis Yau/ Natalie Tam

Tel: (852) 3920 7645/ 2169 0467/ 2136 6183/ 2136 6182

Fax: (852) 3170 6606

Email: athena.chan@iprogilvy.com/ juliana.li@iprogilvy.com/  
charis.yau@iprogilvy.com/ natalie.tam@iprogilvy.com