

(For Immediate Release)



**Embry Holdings Limited
Announces 2011 Annual Results**

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**Revenue Increased by 25.57% to HK\$1,695 million
Net Profit Rose by 26.25% to HK\$159 million
Retail Network Expanded to 2,076 Outlets and Brand Portfolio Further
Improved**

Financial Highlights:

HK\$'000	For the year ended 31 December		
	2011	2010	Change
Revenue	1,694,987	1,349,846	+25.57%
Gross profit	1,394,372	1,086,116	+28.38%
Gross profit margin	82.26%	80.46%	+1.80pts
Profit attributable to owners of the Company	159,314	126,189	+26.25%
Earnings per share – Basic (HK cents)	38.91	31.21	+24.67%
Final dividend per share (HK cents)	7.00	5.00	+40.00%
Special dividend per share (HK cents)	2.00	3.00	-33.33%
Total (HK cents)	9.00	8.00	+12.50%

(28 March 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 annual results for the year ended 31 December 2011 (the “Current Year”).

During the year under review, the Group attained satisfactory business performance. Revenue grew by 25.57% over that of the year ended 31 December 2010 (the “Prior Year”) to HK\$1,694,987,000. The growth in revenue was mainly attributable to the continued boom of the PRC retail market, the expansion of the sales network and the surge in the overall customer demand. During the Year, the overall gross profit margin reached 82.26%. Meanwhile, the increase in staff costs, rising contingent rents and rental of sales outlets, as well as accelerated pace of shop opening have fuelled a rapid increase of 28.80% in selling and distribution expenses.

Profit attributable to owners of the Company was HK\$159,314,000, which increased by 26.25% when compared with the Prior Year. Earnings per share amounted to HK38.91 cents (2010: HK31.21 cents), representing an increase of 24.67%. The Board of Directors of the Company resolved to declare a final dividend of HK7.00 cents (2010: HK5.00 cents) per share and a special dividend of HK2.00 cents (2010: HK3.00 cents) per share for the Current Year. Together with the interim dividend of HK3.00 cents (2010: HK3.00 cents) per share distributed, the dividend on an annual basis was HK12.00 cents per share, representing a 9.09% increase over the Prior Year.

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Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "In 2011, the global economy was surrounded by uncertainties, thereby raising concerns about the economic outlook among various countries. Faced with the complex and volatile business environment, the Group continued to keep abreast of market conditions and customer needs and capitalise on the advantages of its multi-brand strategy, with a view to further consolidating brand strengths. During the year, the Group enhanced the brand positioning of its two major brands, **EMBRY FORM** and **FANDECIE**. The product mix of each of the five brands was constantly optimised to promote the all-round development of the brand, thereby further uplifting the competitive edges of each brand. The fifth brand, **E-BRA**, obtained an encouraging performance with 6.42% revenue contribution during the first full year of operation."

The Group currently operates five brands: **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA** and **LIZA CHENG** for customers of different age groups and purchasing power. **EMBRY FORM** was honoured as the "The Best-Selling Lingerie Products in the Industry in China in terms of Volume, Sales, Market Share" by the China Industrial Information Issuing Centre (the "Issuing Centre"). The Group has been awarded this honour for sixteen consecutive years. **FANDECIE** was also awarded the "Top 10 Best Sellers in the Industry in China" for the sixth consecutive year by the Issuing Centre. In addition, **EMBRY FORM** was awarded the "Hong Kong Top Brand" by the Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong for five consecutive years.

By brands, sales growth was attained for each of the five brands of the Group. **EMBRY FORM**, our signature brand, is the main source of income. This brand showed a continued rising trend in sales, which rose by 19.66% to HK\$895,582,000. **FANDECIE**, another engine of growth, rose by 19.35% to HK\$582,047,000. **COMFIT**, with a focus on functionality and quality, achieved a 7.26% growth in revenue over the Prior Year to HK\$89,147,000. **E-BRA**, a brand positioned at affordable pricing, expanded the sales network for the Group. Positive market response was obtained. Revenue grew by 8.22 times over the Prior Year to HK\$108,770,000. **LIZA CHENG**, a brand with higher positioning, revenue for the Current Year increased by 91.94% to HK\$5,931,000.

Retail sales for the Current Year amounted to HK\$1,409,173,000, accounting for 83.14% of the Group's total revenue and representing an increase of 21.23% when compared to that of the Prior Year. Sales of the wholesale business increased by 42.62% from HK\$171,776,000 to HK\$244,990,000. Moreover, the Group expanded into direct online sales channels during the Current Year. The electronic network was used as a sales platform for the selling of a diverse range of brand products of the Group, thereby generating a revenue contribution of HK\$27,314,000.

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During the Current Year, selling and distribution expenses increased by 28.80% to HK\$1,017,100,000 (2010: HK\$789,679,000), representing 60.01% (2010: 58.50%) of the Group's revenue. The increase was mainly due to the rise in contingent rents and rental of sales outlets and other related selling expenses, along with the growth in revenue and the increase in the number of retail outlets. Rising inflation in China also brought about higher pressure on operating costs, particularly increase in staff costs. In addition, equity-settled share option expenses also increased. During the Year, expenditure on advertising and decoration of sales outlets rose by 3.16% to HK\$108,696,000, accounting for 6.41% (2010: 7.81%) of the Group's revenue.

Along with the gradual emergence of the uncertainties of the external economic environment in the second half of the year, the Group sped up the closure of stores of lower operating efficiency in the fourth quarter. With the effective integration of resources, coupled with the optimisation and adjustment of the sales network structure, we have reinforced our capability to manage and control our risk exposure. During the Current Year, the number of retail outlets of the Group registered a net increase of 195. As at 31 December 2011, the Group operated a total of 2,076 retail outlets. Out of these outlets, the numbers of concessionary counters and stores were 1,862 and 214 respectively.

Ms. Cheng concluded, "Looking ahead to 2012, as the market environment is still subject to the impact of the instability of the domestic and international economy, the Group will continue to remain cautiously optimistic towards its business development. To stay ahead of the challenging market environment, the Group will adhere to a sustainable business strategy, with a view to seizing valuable opportunities emerging from the rise in the national income and the improvement in the quality of life, and to capturing the immense growth potential embedded in the second-tier and third-tier cities in China. The Group will also expand and continue to optimise its sales network in a prudent manner, with a goal to adding about 150 retail outlets across the country. Capitalizing on the Group's strong multi-brand edges and prudent development strategies, the Group will constantly optimise its sales network and develop an enriched diversity of innovative product portfolio in order to build up its competitive advantages. Efforts will be made to grasp more market opportunities and fortify the Group's leading position in the retail market, thereby fostering steady business growth and creating greater 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.

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