

(For Immediate Release)



Embry Announces 2011 Interim Results

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**Revenue Increased by 22.42% to HK\$841.3 million
Profit attributable to owners amounted to HK\$91.3 million**

Financial Highlights:

HK\$'000	For the six months ended 30 June		
	2011	2010	Change
Revenue	841,283	687,187	+22.42%
Gross profit	685,326	546,495	+25.40%
Gross profit margin	81.46%	79.53%	+1.93%pts
Profit attributable to owners of the Company	91,285	80,753	+13.04%
Earnings per share – Basic (HK cents)	22.35	20.04	+11.53%
Interim dividend per share (HK cents)	3.0	3.0	-

(29 August 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 interim results for the six months ended 30 June 2011 (the “Current Period”).

During the period under review, the Group reported satisfactory business performance with a revenue growth of 22.42% to HK\$841,283,000 when compared with that of the six months ended 30 June 2010 (the “Prior Period”). The increase primarily reflected the growth and expansion of retail sales network in China and increased customer demand as a whole. Higher average selling prices resulting from wider applications of patents also contributed to the increase in revenue. The Group’s gross profit was approximately HK\$685,326,000 for the Current Period with the overall gross profit margin stood at approximately 81.46%.

Profit attributable to owners of the Company grew by 13.04% to HK\$91,285,000. Basic earnings per share was HK22.35 cents (2010: HK20.04 cents), representing an increase of 11.53%. The Board has resolved to declare an interim dividend of HK3.0 cents per share (2010: HK3.0 cents) for the Current Period.

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Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "The steady domestic economic development and increased consumption power of nationals drove the expansion of the lingerie market in China which favoured the demand for branded lingerie products. During the period, Embry applied its multi-brand strategy, continued to improve its brand image and enhanced its product quality so as to grasp development opportunities in the rapidly changing market, and boost its business growth. **E-BRA**, launched in the fourth quarter of last year which was well-received by the market, endeavoured to expand the sales channels for the Group."

At the moment, the Group manages five brands: **EMBRY FORM**, **FANDECIE**, **COMFIT**, **LC** and **E-BRA**, targeting at customers in different age and income segments. **E-BRA**, the fifth brand of the Group is positioned as a mass-market brand at affordable prices for consumers in the second- and third-tier cities. During the period, the Group improved the brand image of two signature brands, **EMBRY FORM** and **FANDECIE**, and optimised their product portfolios to better accommodate different needs in the market. These efforts were well received by the markets.

The flagship brand **EMBRY FORM**, from which the Group derived most of its income, maintained its growth momentum and saw its revenue increase by 15.84% to HK\$443,826,000. **FANDECIE** was another major growth driver of the Group, with its revenue rose by 14.82% to HK\$290,068,000 from that of the Prior Period. **E-BRA** recorded a revenue of HK\$53,685,000. With regards to **LC**, which is positioned as a higher end brand, saw its revenue increase by 91.15% to HK\$2,743,000 for the Current Period. **COMFIT**, which emphasises functionality and quality, saw its revenue decline by 3.62% to HK\$41,850,000 when compared with the corresponding period of last year.

Retail sales amounted to HK\$707,199,000 in the Current Period, accounting for 84.06% of the Group's total revenue and representing an increase of 17.68% from the Prior Period. The revenue of wholesale business increased by 45.80% from HK\$79,715,000 to HK\$116,224,000.

For the Current Period, selling and distribution expenses rose to 57.37% as a percentage of the total revenue. Increase in such expenses was partly attributable to the net increase of 131 retail outlets, including both concessionary counters and retail stores, during the first half of the year.

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The Group strategically expanded its sales network to cover first- to third-tier markets to achieve better coverage of its retail point of sales. The Group adjusted its annual target of shop opening to a net increase of around 250 retail outlets to accommodate strong market demand. During the Current Period, the Group achieved a net addition of 131 retail outlets. As at 30 June 2011, the Group operated a total of 2,012 retail outlets, comprising 1,823 concessionary counters and 189 retail shops.

The Group currently has three production bases located in Shenzhen, Jinan and Changzhou respectively. As at 30 June 2011, the aggregate annual production capacity of the Group's production bases reached 21,200,000 standard product units. In view of the volatility noted recently in the world's economy and the effect of inflationary pressure on the consumer market, the Group will continue to closely monitor the retail market demand and manage its production capacity to fulfill market demand while enhancing its efficiency and effectiveness.

Ms. Cheng concluded: "The outlook of the second half of the year 2011 poses both opportunities and threats. Being one of the market leaders in the lingerie industry in China, the Group remains an optimistic yet prudent stance and adopts sustainable development strategies in response to changes in the social environment. As **E-BRA** achieved satisfactory results in the first half of the year, the Group plans to continue to open retail outlets and create a unique brand image in order to establish a solid foundation for its future development. Given the strong market demand, the Group has adjusted its annual target of shop opening to a net increase of around 250 retail outlets, aiming at further optimising and expanding its sales network. Meanwhile, the Group has started planning for Phase II development of the Shandong Factory to prepare for its production needs over the next five years. With all of these measures, the Group is confident that this growth momentum will be sustainable and bring about a satisfactory return to shareholders during the second half 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 2,000 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates five brands namely, **EMBRY FORM**, **FANDECIE**, **COMFIT**, **LC** and **E-BRA** 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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