

(For Immediate Release)



Embry Announces 2009 Interim Results

*** **

Revenue Increased 24.0% to HK\$606,600,000

**Profit Attributable to Equity Holders Surged 56.1%
to HK\$61,800,000**

Financial Highlights:

HK\$ Million	For the 6 months ended 30 June		
	1H2009	1H2008	Change (%)
Revenue	606.6	489.2	+24.0
Gross profit	481.2	375.9	+28.0
Gross profit margin	79.3%	76.8%	+250b.p.
Profit attributable to equity holders	61.8	39.6	+56.1
Earnings per share – Basic (HK cents)	15.41	9.89	+55.8
Interim dividend per share (HK cents)	3.0	2.0	+50.0

(10 September 2009 – 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 2009 (the “Current Period”).

During the six months under review, the Group outperformed the market by delivering a remarkable growth of 24.0% in revenue to HK\$606.6 million. The increase was attributable to the steady same-store sales growth, coupled with a moderate network expansion nationwide. Gross profit was HK\$481.2 million, representing an increase of 28.0% over the same period last year (the “Prior Period”). Gross profit margin increased by 250 basis points to 79.3% as a result of better operating efficiency and economies of scale. Profit attributable to equity holders of the Company surged 56.1% to HK\$61.8 million. Basic earnings per share grew by 55.8% to HK15.41 cents. The Board of Directors proposed the payment of an interim dividend of HK\$3.0 cents per share, which represents a year-on-year growth of 50.0%.

- Cont'd -

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer of Embry, said: "In the first half of 2009, the adverse impact amid market uncertainties had gradually emerged in the wake of global financial crisis. Despite the difficult operating environment, the Group had successfully capitalized on its strong brand recognition and solid foundation, and achieved remarkable results in the first half of 2009. The success was attributable to the well-planned brand management strategy, cautious but effective network expansion plan and enhanced operating efficiency. Economic growth in the coastal regions and the rise in consumers' disposable income drove up the demand for lingerie products. In light of the prevailing market conditions, **FANDECIE**, our younger line which is more competitive in pricing, remained to be the key growth driver during the Current Period."

For the Current Period, retail business continued to be the major source of revenue of the Group, contributing approximately 87.6% of the Group's total revenue, and representing an increase of 23.1% to HK\$531.6 million. Wholesale business revenue rose 32.1% from HK\$44.9 million to HK\$59.3 million. Mainland China remained to be the Group's core market. Revenue in Mainland China was HK\$542.9 million, accounting for 89.5% of the Group's revenue and representing an increase of 25.5% over the Prior Period.

As for brands, the Group's signature brand, **EMBRY FORM**, delivered a steady growth of 14.8% in revenue to HK\$344.7 million. The growth of this brand was somewhat affected by the prevailing economic conditions, where some consumers were motivated to seek alternatives of lower selling prices. In view of this, the Group proactively increased its efforts in **FANDECIE**, its younger line which is more competitive in pricing, and achieved a remarkable growth of 44.0% in revenue to HK\$210.6 million. Revenue contribution from **EMBRY FORM** and **FANDECIE** accounted for 56.8% and 34.7% of the Group's revenue respectively.

In light of the prevailing economic and market conditions, the Group adopted a cautious yet effective approach in expanding its sales network coverage. During the Current Period, the Group had a net increase of 47 retail outlets nationwide. As at 30 June 2009, the Group operated a total number of 1,604 retail outlets, which comprised 1,474 concessionary counters and 130 retail shops.

The Group has always put great emphasis on product development and product quality to maintain its competitive advantages and improve the market potential of its products. As at 30 June 2009, the Group had 19 applications patents and 13 appearance design patents registered in China and various countries.

- Cont'd -

In the second half of 2009, the Group will continue to improve and expand its sales network and adjust the distribution of its retail outlets according to the original expansion plan set out at the beginning of the year by opening around 100 retail outlets across China in 2009. Meanwhile, the Group will continue its careful pricing strategy and develop top quality products for its brands in order to maximize its brand equity. Following the commissioning of the Shandong factory in 2008, the Group is in a position to take advantage of economies of scale, thereby improving operating efficiency.

Ms. Cheng concluded: "The overall market conditions in China are expected to improve gradually in the second half of 2009. While maintaining a cautiously optimistic outlook, the Group will adopt a sustainable business growth strategy to take advantage of the steady economic growth ahead. To enhance our brand equity and strengthen our market leading position, we will continue to carry out various advertising and promotion campaigns to enhance brand awareness among customers. We are confident that the growth momentum can be sustained in the second half of 2009."

-End-

About Embry Holdings:

Embry is a leading lingerie brand owner and retailer in China, which has established an extensive retail network comprising over 1,600 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 2008 Best-selling Lingerie Products in the Industry in China" by the China Industrial Information Issuing Centre. It has been the 13th consecutive year for **EMBRY FORM** to rank number one by volume, sales and market share. 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 2008 for three consecutive years.

For further information, please contact:

iPR Ogilvy Ltd.

Juliana Li/ Charis Yau/ Natalie Tam

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

Fax: (852) 3170 6606

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