

[For Immediate Release]



**Embry Holdings Limited  
Announces 2015 Annual Results**

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**Profit attributable to owners of the Company was HK\$202 million  
Excluding the impact of foreign exchange differences, net profit  
climbed 14%**

**Financial Highlights:**

HK\$'000	For the year ended 31 December		
	2015	2014	Change
Revenue	<b>2,535,818</b>	2,383,127	+6.41%
Gross profit	<b>2,069,596</b>	1,960,205	+5.58%
Gross profit margin	<b>81.61%</b>	82.25%	-0.64p.p.
Profit attributable to owners of the Company	<b>201,574</b>	188,093	+7.17%
Profit attributable to owners of the Company (Excluding the impact of foreign exchange losses)	<b>223,291</b>	195,868	+14.00%
Basic earnings per share (HK cents)	<b>48.38</b>	45.14	+7.18%
Final dividend per share (HK cents)	<b>9.00</b>	8.00	+12.50%
Special dividend per share (HK cents)	<b>1.00</b>	2.00	-50.00%
Total (HK cents)	<b>10.00</b>	10.00	N/A

(23 March 2016 – Hong Kong) **Embry Holdings Limited** (“Embry Group” or the “Group”; Stock Code: 1388), a major lingerie brand owner and retailer in China, is pleased to announce today its annual results for the year ended 31 December 2015 (the “Current Year”).

During the Current Year, the Group’s revenue grew by 6.41% over that of the year ended 31 December 2014 (the “Prior Year”) to HK\$2,535,818,000. Profit attributable to owners of the Company increased by 7.17% to HK\$201,574,000. Earnings per share increased by 7.18% to HK48.38 cents (2014: HK45.14 cents). Excluding the impact of foreign exchange losses, the Group’s net profit grew by 14.00% from the Prior Year to HK\$223,291,000. The Board of Directors of the Company resolved to declare a final dividend of HK9.00 cents per share (2014: HK8.00 cents) and a special dividend of HK1.00 cent per share (2014: HK2.00 cents) for the Current Year which, together with the interim dividend of HK4.00 cents per share (2014: HK4.00 cents) distributed, will bring the total dividend for the Current Year to HK14.00 cents per share.

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry Group, said, "Faced with tough and challenging market environment in 2015, the Group continued to take a prudent approach to business planning alongside careful market assessment, and further consolidated its business foundation. During the year, the Group continued to follow its flexible multi-brand strategy which focused on cultivating new brands to meet the needs of different consumers. At the same time, the Group enhanced the efficiency of its retail outlets through optimising its sales network in order to maintain a long-term steady growth. In response to the ever challenging market environment, the Group stepped up its marketing effort in the second half of the year so as to mitigate the impact of the economic environment on sales, thus keeping its business performance stable."

In response to the economic situation, the Group focused its marketing resources on **E-BRA**, **IADORE** and **IVU**. The growth in revenues of the three brands accounted for 72.67% of the overall growth, which proved the effectiveness of the Group's branding strategy. **EMBRY FORM**, the signature brand, is the main source of income for the Group and its revenue increased 3.95% to HK\$1,169,118,000, accounting for 46.11% of the total revenue for the Current Year. Revenue of **FANDECIE** decreased slightly by 1.94% from the Prior Year to HK\$727,790,000, accounting for 28.70% of the total revenue for the Current Year. **COMFIT**'s revenue grew by 4.05% over the Prior Year to HK\$199,101,000, accounting for 7.85% of the total revenue for the Current Year. **E-BRA**'s revenue grew by 23.04% over the Prior Year to HK\$281,472,000, accounting for 11.10% of the total revenue for the Current Year. **LIZA CHENG**'s revenue for the Current Year increased 26.09% to HK\$38,827,000. **IADORE** and **IVU** continued to receive positive market feedbacks and recorded a growth in revenue of 140.15% to HK\$51,262,000 and of 81.84% to HK\$62,984,000 respectively. The brands' respective proportion in revenue mainly reflected the Group's alignment of its business focus to market development.

During the Current Year, revenue from the retail sales was HK\$2,147,488,000, accounting for 84.69% of the Group's total revenue and representing an increase of 6.25% over the Prior Year. Revenue from the wholesale business decreased by 1.35% from HK\$276,885,000 to HK\$273,147,000, accounting for 10.77% of the total revenue. It reflected the impact of soft consumer sentiment on wholesaler orders. Revenue from the Group's direct online sales channels notably increased by 45.16% from HK\$75,724,000 over the Prior Year to HK\$109,919,000, accounting for 4.33% of the total revenue. It was mainly because the Group effectively promoted the products to consumers. The export business revenue was HK\$5,264,000, accounting for 0.21% of the Group's total revenue.

Selling and distribution expenses increased by 3.33% to HK\$1,534,899,000 (2014: HK\$1,485,498,000), accounting for 60.53% (2014: 62.33%) of the Group's revenue. The increase in selling and distribution expenses was less than the growth in revenue, mainly due to the successful efforts in cost control under the current operating circumstances.

Given the changes in market environment and consumer spending pattern, the Group appropriately adjusted the distribution of retail outlets during the year. Those less efficient stores were closed or relocated in order to enhance the overall efficiency of the sales network. As at 31 December 2015, the Group had 2,216 retail outlets in total, including 2,032 concessionary counters and 184 stores. During the Current Year, there was a net decrease of 101 retail outlets of the Group, which was consistent with the Group's annual target.

Looking ahead to 2016, uncertainties surrounding global economic prospect and the macro environment, along with the slower economic growth in China will affect the domestic consumption demand and the overall market sentiment. It is expected that the consumer sentiment will remain weak in the short term, posing challenges to the retail industry. As a major

brand operator in the lingerie industry in China, the Group remains cautious in its business outlook. In a challenging market environment, the Group will closely monitor the market conditions while adopting flexible and prudent development strategies so as to maintain steady development of the business.

Moreover, the Group will continue to take full advantage of its multi-brand strategy and respond promptly to the market needs by cultivating new brands and enhancing the competitiveness of its core brands at the same time. In 2016, **E-BRA**, **IADORE** and **IVU** are expected to maintain their relatively strong growth momentum. The Group will continue to focus on developing the three brands.

The Group will prudently evaluate both the market environment and the outlet operation. The Group will appropriately adjust its logistics operation and optimise the sales network, closing retail outlets underperforming for the purpose of enhancing its operating efficiency. Though the number of retail outlets will have a negative growth in 2016, the structure of the sales network is believed to be more optimal. With the Group's flexible deployment of production capacity and the expected completion of the intelligent warehouse by the end of 2016, its overall operational efficiency is expected to improve and the price competitiveness of its products will also increase, spurring sales growth.

Ms. Cheng concluded, "Despite a slowdown in retail market, the Group believes that it can achieve a relatively stable performance amid challenging business environment by utilising its multi-brand strategy as well as adopting a sound and pragmatic approach to its business development. The Group will also continuously optimise its sales network and enrich its product portfolio through innovation. In the future, the Group will continue to implement effective business strategies to strengthen its brand equity, foster long-term and steady business growth and generate satisfactory returns to its shareholders."

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**About Embry Holdings:**

Embry is a major lingerie brand owner and retailer in China, which has established an extensive retail network comprising over 2,200 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates seven brands namely, **EMBRY FORM**, **FANDECIE**, **COMFIT**, **E-BRA**, **LIZA CHENG**, **IADORE**, and **IVU** with each of them targeting at different customers.

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