

(For Immediate Release)



**Embry Holdings Limited
Announces 2015 Interim Results**

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**Net Profit increased by 16.56% to HK\$145 million
Sustainable Growth Amid Challenging Operating Environment**

Financial Highlights:

HK\$'000	For the six months ended 30 June		
	2015	2014	Change
Revenue	1,391,784	1,238,479	+12.38%
Gross profit	1,144,837	1,016,272	+12.65%
Gross profit margin	82.26%	82.06%	+0.2p.p.
Profit attributable to owners of the Company	145,217	124,583	+16.56%
Basic earnings per share (HK cents)	34.85	29.90	+16.56%
Interim dividend per share (HK cents)	4.00	4.00	N/A

(25 August 2015 – Hong Kong) **Embry Holdings Limited** (“Embry Group” or the “Group”; Stock Code: 1388), the leading lingerie brand owner and retailer in China, announces today its interim results for the six months ended 30 June 2015 (the “Current Period”).

During the Current Period, the Group’s revenue grew by 12.38% to HK\$1,391,784,000. Gross profit margin slightly increased by 0.2 percentage point to 82.26%. Net profit increased by 16.56% to HK\$145,217,000. Earnings per share were HK34.85 cents (2014: HK29.90 cents). The Board of Directors of the Company resolved to declare an interim dividend of HK4.00 cents per share (2014: HK4.00 cents) for the Current Period.

Commenting on the Group’s results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry Group, said, “During the first half of 2015, consumers still tended to be cautious about spending and paid more attention on product’s price and price-performance ratio. In order to pursue sustainable business development, the Group maintained its pragmatic approach to the challenges arising from the changing market environment and intense competition. The Group remained prudent when making business plans, adopted a flexible multi-brand strategy and fully capitalised on its optimised sales network. It successfully overcame various challenges in the business environment with the effective strategies, thus achieved steady growth in sales in the first half of 2015.”

The Group implemented a multi-brand strategy and continued to allocate internal resources flexibly to focus on promoting potential brands which have lower market penetration, such as **E-BRA**, and new brands, namely **IADORE** and **IVU**. As a result, the three brands reported a faster growth.

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During the Current Period, **E-BRA**'s revenue grew by 36.38% to HK\$156,263,000. **IADORE**'s revenue grew by 259.48% to HK\$28,090,000. **IVU**'s revenue grew by 382.77% to HK\$28,667,000. Other brands also maintained steady performance. **EMBRY FORM**'s revenue increased by 9.67% to HK\$661,199,000. **FANDECIE**'s revenue was HK\$391,411,000, which approximated to that of the Prior Period. **COMFIT**'s revenue increased by 6.95% to HK\$103,531,000. **LIZA CHENG**'s revenue grew by 32.09% to HK\$20,012,000.

Revenue from retail sales increased by 13.35% to HK\$1,186,319,000, accounting for 85.24% of the Group's total revenue. As sales orders from our wholesalers were affected by the economic environment, revenue from the wholesale business decreased by 4.33% to HK\$149,854,000. Revenue from the Group's direct online sales channels increased by 67.60% to HK\$53,000,000, which was mainly attributable to the closer cooperation between the Group and its e-commerce partners that facilitates the promotion of product to customers.

In view of China's economic restructuring and changing consumption patterns, the Group has appropriately adjusted the distribution of its retail outlets by closing or relocating stores with lower efficiency during the period so as to enhance the overall efficiency of its sales network. As at 30 June 2015, the Group operated a total of 2,267 retail outlets, a net decrease of 50 comparing to the end of last year.

Looking ahead into the second half of 2015, major markets are expected to expand at a slow pace and to remain highly volatile due to the uncertainties over the global political and economic environment. The Group will maintain a cautiously optimistic approach while striving for better business growth by adopting flexible and prudent development strategies and by closely monitoring the market conditions to cope with the upcoming challenges in the market.

The Group will take efforts to enhance innovation in products through constant investment in product design and development so as to meet the diverse consumer needs for product design, functions and materials. As China's economy is maturing, the consumers will pay attention to the materials and safety of products. In this regard, the Group will meet the demand by stepping up development of environmental friendly and healthy products.

The Group will continue to give its multi-brand strategy full play while strengthening the competitiveness of its core brands. The Group considered **E-BRA**, **IADORE** and **IVU** to be highly suitable for the market in the current economic environment and more likely to capitalise on the country's ongoing economic restructuring for sales growth. Therefore, in the second half of the year, the Group will continue to focus on enlarging **E-BRA**'s market share and accelerating the development of **IADORE** and **IVU**.

After evaluating the market environment, the Group decides to adopt a more prudent strategy in respect of store establishment and continue to close down underperforming stores. As such, the Group believes that the number of retail outlets in 2015 is likely to decrease, whereas the efficiency of stores will continue to improve, extending the trend in the first half of the year.

Ms. Cheng concluded, "The Group will be able to achieve satisfactory performance in various business environments by continuing with its sound and pragmatic development strategy that has been adopted for years, especially its flexible and powerful multi-brand strategy, and by optimising its sales network and enriching its product portfolio through innovation after its thorough evaluation of the market conditions. In the future, the Group will adhere to its effective operating strategies and reinforce its leading position in the retail market in order to foster steady business growth for the long term and generate satisfactory returns to its 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 2,200 outlets that cover major cities in China, including Hong Kong and Macau. Embry operates seven brands namely, **EMBRY FORM, FANDECIE, COMFIT, E-BRA, IADORE, LIZA CHENG** and **IVU** with each of them targeting at different customers.

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