

(For Immediate Release)



**Embry Holdings Limited
Announces 2013 Annual Results**

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**Revenue Increased by 12.00% to HK\$2,235 million
Net Profit Rose by 8.07% to HK\$198 million**

Financial Highlights:

HK\$'000	For the year ended 31 December		
	2013	2012	Change
Revenue	2,234,763	1,995,356	+12.00%
Gross profit	1,796,883	1,620,139	+10.91%
Gross profit margin	80.41%	81.20%	-0.79pts
Profit attributable to owners of the Company	198,369	183,562	+8.07%
Basic earnings per share (HK cents)	47.61	44.38	+7.28%
Final dividend per share (HK cents)	8.00	7.00	14.29%
Special dividend per share (HK cents)	2.00	2.00	N/A
Total (HK cents)	<u>10.00</u>	<u>9.00</u>	11.11%

(24 March 2014 – 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 annual results for the year ended 31 December 2013 (the “Current Year”).

During the year under review, the Group’s revenue grew by 12.00% to HK\$2,234,763,000. Profit attributable to owners of the Company was HK\$198,369,000, which increased by 8.07% compared against that of the Prior Year. Earnings per share amounted to HK47.61 cents (2012: HK44.38 cents), representing an increase of 7.28%. The Board of Directors of the Company resolved to declare a final dividend of HK8.00 cents per share (2012: HK7.00 cents) and a special dividend of HK2.00 cents per share (2012: HK2.00 cents) for the Current Year. Together with the interim dividend of HK4.00 cents per share (2012: HK4.00 cents) distributed, the dividend on an annual basis was HK14.00 cents per share, representing an increase of 7.69% over the Prior Year.

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The financial position of the Group remained sound and healthy during the Current Year. As at 31 December 2013, the Group's cash and cash equivalents amounted to approximately HK\$346,327,000. The Group was in a net cash position, with a gearing ratio of 7.48%.

Commenting on the Group's results, Ms. Liza Cheng, Chief Executive Officer and Executive Director of Embry, said: "In 2013, China achieved steady economic growth amid the slow restructuring and upgrade of its economy. The country's economic growth hit the low in the second quarter, but regained momentum in the second half of the year. However, consumers became more cautious in spending, and more sensitive to product prices. In order to cope with the changes in the market environment and the intensifying competition as well to capture the opportunities arising from the expansion of the lingerie industry, the Group focused on promoting the sustainable development of its business by implementing appropriate and cautious business development policy, adopting a flexible multi-brand strategy and fully capitalising on its optimised sales network."

During the year, the Group continued to reallocate internal resources flexibly and to focus on promoting high-potential brands which have low market penetration rates, such as **COMFIT** and **E-BRA**. As a result of these efforts, both brands attained satisfactory growth during the year. In order to improve the brand portfolio, after a new brand **IADORE** was launched at the end of 2012, the Group launched **IVU**, which was its first brand for men's underwear on a trial basis in the second half of 2013. **IVU** was well received by the market.

During the Current Year, the Group currently operates seven brands, all of which recorded growth in sales. **EMBRY FORM**, our signature brand, has its revenue increased by 5.26% to HK\$1,091,361,000. **FANDECIE**'s revenue increased by 13.73% over the Prior Year to HK\$722,473,000. **COMFIT** achieved outstanding performance as its revenue grew by 23.88% to HK\$186,644,000. **E-BRA**'s revenue grew by 21.49% to HK\$186,125,000. **LIZA CHENG**'s revenue for the Current Year increased by 110.49% to HK\$25,511,000. New brands **IADORE** and **IVU**, which were in the start-up stage, recorded revenues of HK\$8,024,000 and HK\$6,165,000 respectively, thus accounting for an insignificant proportion in the Group's total sales.

During the Current Year, revenue from the retail sales was HK\$1,875,201,000, accounting for 83.91% of the Group's total revenue and representing an increase of 11.55% over the Prior Year. Revenue from the wholesale business increased by 4.72% from HK\$254,694,000 to HK\$266,727,000. Revenue from the Group's direct online sales channels increased by 59.63% to HK\$84,375,000.

With regards to costs, although rising labour costs led to increasing pressure on operating costs, the Group's business expansion brought about better economy of scale and enhanced brand equity. As a result, the Group's gross profit margin remained at a relatively stable level. The Gross profit margin was 80.41%. During the Current Year, selling and distribution expenses increased by 13.71%, representing 61.56% of the Group's revenue, which generally increased at the same pace as revenue.

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The number of retail outlets of the Group registered a net increase of 151. As at 31 December 2013, the Group operated a total of 2,272 retail outlets. Among them were 2,082 and 190 concessionary counters and stores respectively.

Ms. Cheng concluded, "Looking into 2014, the Group will adopt a cautiously optimistic approach to upcoming market challenges. Specifically, it will closely monitor the market conditions while adopting flexible and prudent development strategies. The Group will continuously strengthen its product design ability and innovate, to capitalise on opportunities arising from its multi-brand strategy. With regards to brand management, the Group will mainly focus its development on **E-BRA** and **COMFIT**. Meanwhile, the Group will also keep on fostering its new brands **IADORE** and **IVU**. With regards to sales network, the Group will work to achieve the target of a net increase of approximately 50 retail outlets for the year. The Group will also continue to optimise its sales network, and fuel its business growth with the better efficiency of its stores. Although the business environment is ever-changing, the Group believes that potential demand in China's underwear market remains enormous. The Group will reinforce its leading position in the retail market, and foster its long-term and steady business growth."

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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. **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 18th 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 eighth consecutive year.

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