

(For Immediate Release)



Embry Announces 2007 Interim Results

Gross Profit Margin Remained at a High Level of 77.4%

Profit Attributable to Shareholders Surged 38% to Reach HK\$55.6 Million

Financial Highlights:

HK\$ million	For the six months ended 30 June		
	2007	2006	Change (%)
Turnover	369.1	314.1	+17.5
Gross profit	285.5	241.9	+18.0
Gross profit margin	77.4%	77.0%	+0.4% pts
Profit attributable to shareholders	55.6	40.3	+38.0
Earnings per share – Basic (HK cents)	13.90	13.44	+3.4
Dividends per share (HK cents)			
- Interim dividend	2.0	N/A	N/A

(19 September 2007 – Hong Kong) **Embry Holdings Limited** (“Embry” or the “Group”; Stock Code: 1388), the leading integrated lingerie brand-owner and retailer in China, is pleased to announce today its interim results for the six months ended 30 June 2007.

For the six months ended 30 June 2007, the Group recorded a turnover of HK\$369.1 million, representing a growth of 17.5%. This was mainly attributable to the economic boom in the PRC, increasing market demand for the Group’s products, encouraging sales generated from “COMFIT” and appreciation of RMB. Better economies of scale, coupled with increasing sales of patented products, further lifted the gross profit margin to 77.4% from 77.0% in the same period of 2006. Profit attributable to shareholders hit a new peak of HK\$55.6 million, surging 38% as compared to the same period of last year.

Earnings per share of the Group increased by 3.4% to 13.9 HK cents during the interim period. The Board of Directors proposed the payment of 2.0 HK cents as the interim dividend for the six months ended 30 June 2007.

During the period under review, retail business continued to be the major source of revenue, accounting for 88.9% of the Group’s total turnover. Geographically, the Group’s operation in PRC remained strong. Turnover from the PRC market reached HK\$307 million from HK\$263 million of the corresponding period of last year, representing an increase of 17% and accounting for 83.3% of total turnover.

In terms of branded products, its two major brands, EMBRY FORM and FANDECIE, maintained stable business performance and accounted for 62.1% and 26.7% respectively. As for COMFIT, which was newly launched and specialized in functionality, it surged 300% in sales during the interim period, accounting for 5.9% of the total turnover. COMFIT is expected to be one of the Group's significant revenue sources in future as it successfully diversified the product line into functional and premiere lingerie markets. As at 30 June 2007, the Group had 39 patent registrations and 16 design registrations.

In order to capture the booming market demand for lingerie products yet maximizing operation efficiency, the Group opened and/or contracted for 149 retail outlets during the interim period while 32 less profitable and unsatisfactory stores were closed. During the interim period, the Group operated a total of 1,230 retail outlets in which a new flagship store was opened in Shenzhen, PRC, fortifying its leading position as a national lingerie brand and retail enterprise. In order to improve the overall performance, the Group is expected to have a net increase of 230 retail outlets spanning across the entire Greater China by the end of year, which will bring the total number of retail outlets to over 1,300.

For the six months under review, construction of the Group's third production base located in Zhangqiu City of Shandong Province, PRC, was substantially completed. Renovation work and installation of production facilities will commence soon and the new factory is expected to commence production in mid 2008. Upon full operation, the annual production capacity of the Group is expected to reach 23.7 million standard product units relative to 11.8 million standard product units at the end of 2006.

Apart from expanding production capacity to cater rising market demand, it is believed that the Shandong Factory allows the Group to crop a higher margin from the export business by shifting the mode of operation from OEM to original design manufacturer, boosting the Group's operating profit margin.

Looking forward, Mr. Cheng Man Tai, Chairman of Embry, said, "We are optimistic about the growth potential in the lingerie industry and the future market demand for lingerie products. In the second half of 2007, we will continue to expand our sales network by opening more retail outlets in the PRC and Hong Kong so as to capture the market share and to strengthen the Group's market presence. Furthermore, the Group will continuously strengthen market promotion to enhance brand awareness and boost sales performance. Leveraging on our unrivalled market leading position, strong brand equity and diversified product mix, the Group is committed to bringing lucrative returns to our shareholders in 2007 and the years to come."

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About Embry

Embry is a leading lingerie brand owner and retailer in China, which is principally engaged in the design, manufacture and distribution of ladies' lingerie, swimwears, sleepwears and related accessories. The Group has established an extensive retail network comprising over 1,000 outlets covering major cities in the PRC including Hong Kong and Macau, and two well equipped production bases in Shenzhen and Changzhou. Embry has four self-owned brands, namely "EMBRY FORM", "FANDECIE", "COMFIT" and "LC". Each of the four brands is targeted at different customer group and therefore products under each brand have their unique design and characteristics to fit in the needs of the targeted customers. "EMBRY FORM", the signature brand of the Group, was awarded as "The 2006 Best-selling Lingerie Products in the Industry" by China Industrial Information Issuing Center. It has been the 11th consecutive year for "EMBRY FORM" to rank the first in volume, sales and market share. In addition, "FANDECIE", an energetic lingerie brand of the Group was also officially awarded one of the "Top 10 Best Sellers in the Industry in 2006".

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