

(For Immediate Release)



Embry Announces 2008 Interim Results

Revenue Increased 32.5% To HK\$489,200,000
Retail Outlets Up To 1,492 To Capture Growing Market Demand

Financial Highlights:

HK\$ Million	For the six months ended 30 June		
	2008	2007	Change (%)
Turnover	489.2	369.1	+32.5
Gross profit	375.9	285.5	+31.7
Gross profit margin	76.8%	77.4%	-0.6pts
Profit attributable to shareholders	39.6	55.6	-28.8
Earnings per share – Basic (HK cents)	9.89	13.90	-28.8
Interim dividend per share (HK cents)	2.0	2.0	-

(17 September 2008 – Hong Kong) **Embry Holdings Limited** (“Embry” or the “Group”; Stock Code: 1388), the leading integrated lingerie brand-owner and retailer in China, announced today its interim results for the six months ended 30 June 2008.

For the six months ended 30 June 2008, the Group’s revenue amounted to approximately HK\$489.2 million, representing an increase of 32.5%. The increase was due to the opening of new stores and increase of same-store-sales growth in Mainland China by approximately 17.7%. Profit attributable to equity holders of the Company was approximately HK\$39.6 million, representing a decrease of 28.8% over the corresponding period of 2007. Earnings per share of the Company was HK9.89 cents per share, representing a decrease of 28.8% as compared to that of the last period.

Reviewing the Group’s development in first half of 2008, Mr. Cheng Man Tai, Chairman of Embry, said: “Benefited from strong economic growth and increased retail consumption in the PRC, and the appreciation of Renminbi, the Group maintained a stable growth in revenue. Further, the Group continued to enjoy economies of scale and increase the sales of patented products. In addition, our younger brand, **COMFIT**, continued to perform well.”

During the interim period, retail business continued to be the major source of revenue of the Group, contributing approximately 88.3% of the Group's total revenue, and amounted to approximately HK\$431.7 million. In order to capture the growing market demand for lingerie products, the Group strategically opened more new retail outlets and was operating 1,492 retail self-managed outlets as at 30 June 2008, as compared to 1,230 retail outlets as at 30 June 2007.

The Group continued to promote its patented products and increase brand awareness of its branded products. During the interim period, revenue generated from **EMBRY FORM** and **FANDECIE** accounted for 61.3% and 29.9% respectively of the Group's revenue. **COMFIT** successfully diversified the Group's product line and sales of **COMFIT** series products accounted for 6.2% of the Group's total revenue whereas sales of **LC** were minimal.

During the interim period, production costs of the Group increased as a result of high inflation rate and the new labour law requirements in the PRC. Nonetheless, the Group was able to raise the average selling price of its products and emphasize on improving the labour efficiency to partly offset the increase and protect the profit margin. Hence, gross profit margin decreased slightly to 76.8% from 77.4% in the previous period.

The Group put great emphasis on product development and product quality to maintain its competitive advantages and improve the market potential of its products. During the interim period, the Group had 48 patent registrations and 20 outlook design registrations registered in various countries.

In order to strengthen the production operation and further expand the production capacity, the Group established the Shandong Factory in Zhangqiu City, Shandong Province, the PRC. To date, the first-phase construction of the Shandong Factory was completed. Renovation work and installation of all production facilities was substantially completed. Trial production started in the first quarter of 2008 and commercial production commenced in the second quarter of 2008. As at 30 June 2008, the Group had utilised HK\$111.3 million for the establishment of the Shandong Factory.

Mr. Cheng concluded: "Our newly completed Shandong Factory, which commenced production in mid 2008, will bring us additional production capacity. This extra capacity will not only enable us to produce more of our existing brands' products but also permit us to open more retail outlets, which carry sufficient product range and assortment and allow us to crop more margin from the export business.

We are optimistic about the growth potential of the lingerie industry and the future demand for lingerie products, in spite of challenges caused by the global inflation. As such, the Group will continue to maintain a pragmatic expansion strategy with strong emphasis on profitability and efficiency. The Group will strive to maintain our continuously leading position in the PRC."

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About Embry Holdings:

Embry is a leading lingerie brand owner and retailer in China, which mainly engages in the design, manufacture and distribution of ladies' lingerie, swimwear, sleepwear and related accessories. The Group has established an extensive retail network comprising over 1,400 outlets that cover major cities in the PRC, including Hong Kong and Macau. It also has three well-equipped production bases in Shenzhen, Changzhou and Shandong. Embry has four self-owned brands, namely **EMBRY FORM**, **FANDECIE**, **COMFIT** and **LC**. Each of the brands targets at different customers. The products under each brand are characterized with unique designs and features to cater for different needs. **EMBRY FORM**, the signature brand of the Group, was awarded "The 2007 Best-selling Lingerie Products in the Industry in China" by China Industrial Information Issuing Centre. It has been the 12th consecutive year for **EMBRY FORM** to rank number one by volume, sales and market share. In addition, **FANDECIE**, an energetic lingerie brand of the Group, was also officially named one of the "Top 10 Best Sellers in the Industry in China" from 2006 to 2007 in two consecutive years.

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