

Business leader will expand



Attention to detail makes for success, Embry, a vertically integrated lingerie company with its own design, manufacturing, marketing, distribution and retail capabilities is fully poised to capture the rapidly expanding lingerie market in China with an array of products.

Being the leading lingerie brand in the China market, Embry has produced thousands of lingerie products, which are marketed under four well-known brands - the elegant and feminine "EMBRY FORM", the young and energetic "FANDECIE", the functional series "COMFIT" combining comfort and good fit, and "LIZA CHENG" ("LC"), which was introduced in 2006 and positioned as a premium lingerie brand. These four brands are designed to cater to the ever-changing market needs in the lingerie sector.

Embry has been accredited with "The Best-selling Lingerie Products in the Industry in China" for eleven consecutive years from 1996 to 2006 by The China Industrial Information Issuing Center of the National Bureau of Statistics of China, and Embry Form was named "Superbrand in the PRC in 2006" and "Hong Kong Superbrands 2005/2006" in 2005.

In addition, EMBRY FORM brassieres were awarded the "Brassieres - China Top Brand" status from the General Administration of Quality Supervision, Inspection and Quarantine of the PRC in 2005.

"In today's world, the lingerie trend has been changing like any fashion industry, and the style is all about femininity and flattering the body. By setting trends for the lingerie market and staying abreast of competition,, we are

dedicated to providing innovative, well-designed and high quality lingerie products, in order to meet the increasing demand of customers,"said CEO, Ms. Liza Cheng ("Cheng").

"In China, the brand is of paramount importance to maintain market confidence, and having been assured of our leading position by the market is the greatest asset for Embry," noted Cheng, adding that the accolades Embry has achieved showcase the firm's commitment to quality control and the chic design of their lingerie.

The Group has put years of effort into establishing, promoting and maintaining its brands, EMBRY FORM, FANDECIE, and COMFIT. In June 2006, Embry has soft-launched a new series of products under the brand name LIZA CHENG ("LC"), which targets premium luxury lingerie market.

In order to further strengthen brand awareness, Embry intends to make further investments in promoting its brands, such as actively participates in fashion shows and exhibitions, launching new products and a variety of promotional campaigns on a continuous basis in order to foster customer loyalty, and sponsorship of charity events and launching of mass media advertising programs.

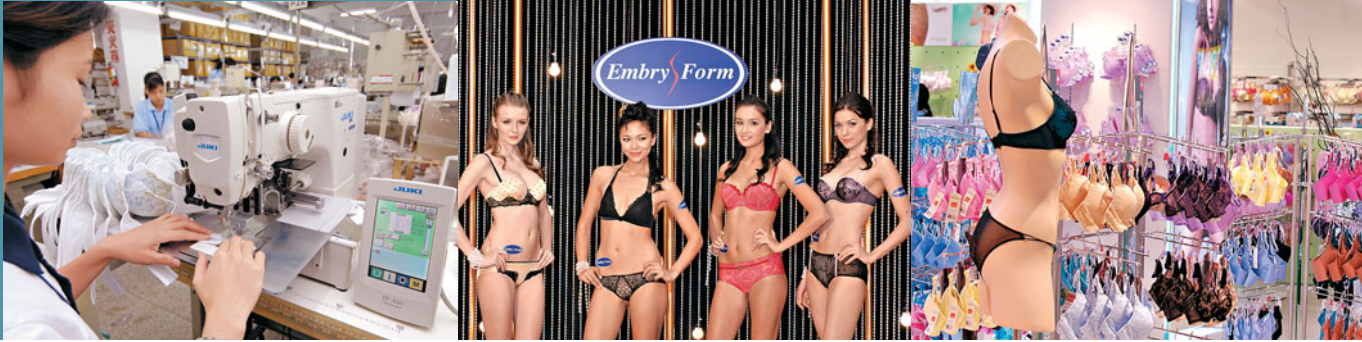
"In the long run, Embry's objective is to become a leading and reputable lingerie



CEO of Embry, Ms Liza Cheng

retailer in the Greater China Region, offering a wide range of products to fit the needs of customers of different age groups, that have different perception and purchasing power,"said Cheng.

With over 30 years of operating history, Embry has achieved stable growth over the past years. For the period ended 30 June 2006, the Group recorded a net



profit of HK\$40.3 million, representing a net profit growth of 74.3% as compared to the corresponding period in 2005.

The IPO of Embry is a milestone for the company as the success of Embry has won the market recognition with its shares over-subscribed by 82.6 times and placing received 18.7 times subscription. In the first trading day, Embry's share price surged by 40.9% to close at HK\$5.1, from the Offer Price of HK\$3.62 per share, making it one of the best IPO performances in 2006.

Extensive sales network

The chic design of Embry's Lingerie product is not the only edge which sets the company apart, but its extensive sales network across the nation is bringing the company at the closest distance to the market.

Embry's sales points span the whole China region, with footprints in all major cities such as Beijing, Shanghai, Guangzhou, Hong Kong and Macau. Such an extensive network drives Embry to continuously and effectively ride the wave of China's flourishing market and, at the same time, deepens its market penetration in China.

"As a leading lingerie retailer, sales network and coverage are very important for our business," said Cheng. "In view of this, Embry intends to expand its sales network by increasing the number of retail outlets in China and Hong Kong by approximately 300 by the end of 2007."

Among these 300 new retail outlets, one flagship store is planned in each of Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong.

The Group also intends to open new retail outlets in other major cities in China, such as Hangzhou, Changsha, Chengdu, Shenyang, Dalian, Harbin and Wuhan. Subject to the economic and market conditions of these cities, the Group may strategically adjust the timing and locations of these planned new retail outlets.

Besides, in order to be more cost effective and to maximize the contribution of each retail outlet, the Group may consolidate the number of retail outlets in areas with less rewarding results and re-allocate the resources to retail outlets located in areas with more promising performance.

Expanding capacity

In conjunction with Embry's strategic plans to continue expanding its sales network, the company targets to strengthen its production operation and expand the production capacity through the establishment of the Shandong factory.

To satisfy the growing market needs, the Group will set up a new factory in Zhangqiu City of Shandong Province to further increase its production capacity. This new factory is expected to commence operation in mid 2008, and will ultimately increase the annual production capacity by approximately 11.9



million Standard Product Units. Meanwhile, the Group also considers to adopt a new sales strategy for its wholesale business, which includes launching a new brand to widen its product series.

Company profile

The Group is a vertically integrated lingerie company with its own design, manufacturing, marketing, and distribution and retail capabilities. Since its establishment in the 1970s, the Group has developed itself into a well-known lingerie brand-owner in mainland China and Hong Kong.

Being the leading lingerie brand-owner in China, Embry believes that the booming economy and rising living standards are fuelling the demand for lingerie products in China. In addition, Embry expects to leverage the Group's leading position in the mainland China market to further increase its market share, as well as capturing new opportunities arising from the market.