

Dear Shareholders

I am pleased to announce the first annual results of Embry Holdings Limited (the "Company") and its subsidiaries (the "Group") since its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 18th December 2006.

尊敬的股東

本人欣然宣佈安莉芳控股有限公司(「本公司」)及其附屬公司(「本集團」)自其於二零零六年十二月十八日在香港聯合交易所有限公司(「聯交所」)上市後的首個全年業績。



Chairman's Statement

主席報告書



MR. CHENG MAN TAI 鄭敏泰先生
Chairman 主席

Dear Shareholders,

I am pleased to announce the first annual results of Embry Holdings Limited (the "Company" or "Embry") and its subsidiaries (the "Group") since its listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The year 2006 is a memorable year for Embry in which a fruitful result was reaped. With the dedication of all our staff, the development of the Group has embarked on a number of significant milestones and achieved excellent results.

OUTSTANDING FINANCIAL PERFORMANCE AND RAPID PROFIT GROWTH

In the year under review, driven by the continuous economic growth and rising consuming power of the People's Republic of China (the "PRC"), the demand for quality lingerie product increases. Taking advantage of this tremendous impetus, the sales and profit performance of the Group both recorded an exponential growth, reflecting the achievements and efforts of the Group in brand building, product research and development, network optimisation, application of enterprise resources planning system and logistics allocation.

各位股東：

本人欣然向各位宣佈安莉芳控股有限公司（「本公司」或「安莉芳」）及其附屬公司（統稱「本集團」）自於香港聯合交易所有限公司（「聯交所」）上市以來的首份全年業績。對安莉芳而言，二零零六年成果豐碩，是值得紀念的一年。在全體員工的努力不懈下，本集團的業務發展創下了多個重要的里程碑，成就卓越。

出色財務表現，盈利高速增長

回顧年內，中國經濟及消費力持續增長，帶動消費者對優質女性內衣產品需求不斷上升。受惠這股澎湃的推動力，本集團的銷售及盈利表現均錄得飛躍式增長，這亦正好反映本集團過去數年在品牌培育、產品研發、網絡優化、企業資源規劃系統應用、物流配送等各方面的努力孕育出美好的成果。

Chairman's Statement (continued) 主席報告書 (續)

For the year ended 31 December 2006, the Group's revenue was increased by 13.5% to HK\$624.3 million. The increase in Group's revenue resulted in better economies of scale. Coupled with the successful launch of various innovative patented products during the year, the gross profit was significantly increased by 15.9% to HK\$478.7 million; while the profit attributable to the equity holders of the Company was increased by 82.5% to HK\$81.1 million. The profit margin thereof also climbed from 8.1% to 13.0% and the earnings per share was HK26.69 cents.

The board of directors recommends a final dividend of HK6.0 cents per share.

SUCCESSFUL LISTING FURTHER CONSOLIDATES LEADING POSITION IN MARKET

During the year, the shares of the Company were successfully listed on the Main Board of the Stock Exchange on 18 December 2006. The listing not only laid an important foundation for the development history of Embry, but also opened up a new era for the Group's future development. Having been greatly supported by both the institutional investors and the public, the raising of HK\$362 million has provided the Group a bountiful funding for its future development. Whilst entering into the international capital market after listing, Embry shall not only affirm its leading lingerie brand position in the PRC market, but also further strengthen its corporate governance practices and financial structure.

In the future, the Group shall endeavor to maintain high corporate transparency and sound corporate governance in order to achieve the highest level of professionalism.

UPHOLDING PRINCIPLES TO IMPLEMENT CORPORATE MISSIONS

The Group has been pursuing its customer-oriented principle of "to be creative, to be synergistic in everything we do and to strive for excellence" since its establishment in the 70's. To visualise its corporate mission, the Group strives to become a well-recognised enterprise of quality lingerie in the Greater China.

截至二零零六年十二月三十一日止年度，全年集團收益上升13.5%至624,300,000港元。集團收益的增加帶來了更理想的規模效應，加上年內成功推出多項具專利的創新產品，令毛利顯著增長15.9%至478,700,000港元，本公司權益持有人應佔溢利大幅增長82.5%至81,100,000港元，該純利率亦由8.1%攀升至13.0%。每股盈利為26.69港仙。

董事會建議派發末期股息每股6.0港仙。

成功上市，進一步強化市場領導地位

年內，本集團更成功於二零零六年十二月十八日在聯交所主板成功上市，不單為安莉芳的發展史奠下一個重要基石，亦為未來業務發展揭開新一頁。是次上市獲得機構性投資者及公眾的熱烈支持，集資金額達3.62億港元，為本集團的未來發展提供了充裕的資金。上市後，本集團便正式踏入國際資本市場，不但肯定了安莉芳在中國女性內衣市場領先的品牌地位，與此同時亦使本集團的企業管治和財務結構得到進一步提升。

未來，本集團將致力向股東保持良好的企業透明度及奉行最佳的企業管治，達至最高的專業水平。

堅守宗旨，致力實踐企業使命

自七十年代成立以來，本集團一直堅守以客為本的宗旨：「提供需求，創造價值；協調和諧，提高效率；追求卓越，永無止境」，並且發揚企業精神，致力成為大中華具知名度的優質女性內衣企業。

PERFECTING OF BUSINESS MODEL AND STRENGTHENING OF STRATEGIES FOR BRAND OPERATION

The brand **EMBRY FORM** witnessed the changes in consumers' tastes, and has responded to the ever-changing lingerie market and different challenges in the past 30 years. To further enhance the overall brand competitiveness, the Group has launched two new brands namely **COMFIT** and **LIZA CHENG ("LC")**, in addition to its existing brands **EMBRY FORM** and **FANDECIE**, with an aim to diversify and enrich its product mix to meet various customers' demand and to develop itself into a lingerie retailer with comprehensive branding.

RECEIVING NUMEROUS AWARDS

The Group has been renowned for its quality products and stringent quality control. Over the years, it has received numerous awards. In year 2006, the sales of **EMBRY FORM** again received top ranking among the same product category in the PRC. It has secured the first place in sales quantity, sales amount and market share of the industry for eleven consecutive years. Meanwhile, despite a short history of only six years, the Group's young brand a **FANDECIE** also ranked amongst the top ten most popular brands in the same product category in the PRC.

EXPANDING FOR LONG-TERM GROWTH

Enhancing product quality, operational efficiency and profitability have been the crucial issues of the Group. Targeting at the PRC's high growth retail market, the Group has implemented an expansion plan with a large-scale production factory in Shandong, providing a capacity of 11.9 million standard product units when in full production to meet huge market demand and to allow for future development. On the other hand, the Group actively expanded its sales network. The number of retail outlets has increased to 1,113 during the year under review. Leveraging on its experienced management and knowledge of the customers of the PRC market, the Group is confident in capturing any favourable opportunities.

完善業務模式，深化多品牌經營策略

安莉芳品牌經歷了接近三十個寒暑，期間見證了消費者品味的變化，亦對瞬息萬變的女性內衣市場及不同的挑戰作出適當之回應。為了進一步提升本集團整體的品牌競爭力，除現有的**安莉芳**及**芬狄詩**品牌外，本集團於回顧年內加入了兩個新品牌元素，分別為**COMFIT**及**LC**，使本集團的產品組合更趨多元化，更見豐富，有效迎合各類客戶的不同需要，並令本集團發展成為品牌全面的女性內衣零售商。

屢獲品牌殊榮

本集團向以優質的產品及嚴謹的質量控制見稱，多年來屢獲殊榮。二零零六年，**安莉芳**再度榮列全國市場同類產品銷量第一名，無論在商品銷售、銷售額及市場佔有率，均連續十一年穩奪行業冠軍。同時，本集團旗下的年青品牌**芬狄詩**，雖自一九九九年推出以來只有短短六年發展歷史，亦榮列全國市場同類商品十大暢銷品牌之一。

銳意加強擴充，長遠增長之道

一直以來，提高產品質素、提升營運效率及增強盈利能力全為本集團的首要任務。面對這個潛力優厚的中國零售市場，本集團雙管齊下，一方面透過落實山東省增建大型生產廠房計劃，預計全面投產後提升年產能1,190萬標準產品件，以滿足市場的殷切需求，並為未來的發展打下良好的基礎；另一方面亦因應市場迅速增長及業務需要，本集團積極擴充全國性銷售網絡，進一步完善銷售網絡的覆蓋面，零售門市數目於回顧年內增加至1,113個。憑藉豐富管理經驗，以及對中國市場顧客的了解，本集團當可把握有利的市場機遇。

STRONG MOMENTUM OF ECONOMIC GROWTH AND POSITIVE PROSPECT FOR RETAIL INDUSTRY

Due to the robust growth and hyper economic development, the consuming power in the PRC remains strong. Coupled with the rise in the disposable income and economic output per capita, the Group is of the view that the continuing strong consuming power shall provide a favourable operating environment for the future development of the Group. It is believed that the overall retail business will continue to grow.

With an objective to continuously enhance the turnover and profit, the Group will strive to capture any opportunity presented in the market and continue to focus on the target. With the Group's present market position, brand recognition and diversified product profile, its professional management team will capitalise on its competitive edge to further optimise the sales network by establishing a total of 300 retail outlets additionally in the PRC and Hong Kong and maintain the steady pace of business development. At the same time, leveraging on its strong research and development capability, the Group aims to launch more quality and innovative lingerie product and to provide with consumers with better choices.

CONCLUSION

The achievements of the Group rely on the joint efforts of various parties. I hereby take the opportunity to thank our shareholders, customers, suppliers, department store partners and the public for their continuous support, and also extend my heartfelt gratitude to our Board members, management and all our staff for their dedication and valuable contribution in the past year.

Advancing into 2007, led by the experienced management team, the Group is confident of its future. It will strive to enhance its own corporate strength, be full-fledged to become one of the largest brands of high-end lingerie in the PRC and to share the fruitful results with its shareholders.

Cheng Man Tai
Chairman

Hong Kong, 18 April 2007

經濟增長勢頭強勁，零售前景遠大

隨著中國經濟增長持續蓬勃，勢頭良好，國內人民的零售消費表現仍然強勁，加上國內人均可支配收入與經濟產值同步上升，顯示消費能力持續強大，為本集團未來發展構建了利好的經營環境，相信整體的零售業務將繼續增長。

本集團將全力把握市場湧現的商機，繼續堅守目標，令營業額及盈利持續不斷地增長。憑藉本集團現時的市場地位、具知名度品牌及多元化產品系列，本集團的專業管理團隊將充分利用自身的競爭優勢，透過在中國及香港增加合共300個零售門市，進一步優化銷售網絡，並保持穩健的業務發展步伐。同時，本集團將積極加強市場推廣活動，以提升品牌知名度及帶動銷售增長。此外，配合強大的研發能力，本集團銳意推出更多優質及創新的內衣新產品，務求為廣大消費者提供更佳的選擇，為未來的女性內衣零售業開創燦爛的一頁。

總結

本集團能夠取得今天的成就是團體共同努力的成果，本人謹藉此機會，感謝我們的股東、顧客、供應商、百貨公司合作夥伴及社會各界的長期支持，亦向我們的董事局成員、管理層及全體員工，為彼等於過往一年的參與及作出之寶貴貢獻，表達衷心之謝意！

踏入二零零七年，在經驗豐富的管理團隊帶領下，本集團對業務前景充滿信心，並會積極加強自身的企業實力，全力裝備自己，銳意成為中國最具規模的高檔女性內衣品牌之一，與股東分享豐碩的成果。

鄭敏泰
主席

香港，二零零七年四月十八日