

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EMBRY HOLDINGS LIMITED

安莉芳控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1388)

(1) ANNOUNCEMENT ON SALES UPDATE FOR THE PERIOD FROM APRIL TO JUNE OF 2024; AND (2) PROFIT WARNING

Reference is made to the announcement (the “**Q1 announcement**”) of Embry Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 April 2024 in relation to sales performance of the Group for the period from January to March 2024 (the “**Q1 Period**”). This announcement is made by the Company pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SALES UPDATE FOR THE PERIOD FROM APRIL TO JUNE OF 2024

As disclosed in the Q1 Announcement, the Group recorded a decrease in its overall sales during the Q1 Period. Against the backdrop of a weak consumer demand, the overall sales of the Group for the period between April to June 2024 decreased by approximately 8% as compared to the same period of last year, whereas at a constant exchange rate, the Group’s sales from the Chinese Mainland market decreased by approximately 5%. As at the end of June 2024, there were a total of 907 retail outlets, comprising 757 concessionary counters and 150 retail shops. The number of retail outlets net decreased by 100, as compared to the end of December 2023.

PROFIT WARNING

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Interim Period**”), it is expected that the Group may record a loss attributable to owners of the Company of approximately HK\$85 million for the Interim Period, as compared to a profit attributable to owners of the Company of approximately HK\$5.37 million during the corresponding period in 2023.

The net loss for the Interim Period was mainly attributable to the non-recurring, unrealised and non-cash items in the Group's other income and other expenses. With respect to other income, (i) there was a decrease in fair value of the Group's investment properties located in (a) two areas in Chinese Mainland, namely Shanghai and Changzhou; and (b) the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), which amounted to approximately HK\$44 million; and (ii) an impairment of approximately HK\$22 million was recorded with respect to the Group's other assets in Shenzhen, the PRC, which is the right to receive the new properties due to the relocation arrangement in 2017. The aforementioned factors were mainly caused by the sluggish property markets in the Chinese Mainland and Hong Kong in the Interim Period. With respect to other expenses, the Group made a provision of approximately HK\$9 million for impairment of right-of-use assets. It is expected that the above-mentioned non-recurring, unrealised and non-cash items amount to approximately HK\$75 million. In addition, as set out above, the Group recorded a drop in its overall sales during both Q1 Period and Q2 Period, which also attributed to the Group's expected reversing from a net profit into a net loss for the Interim Period. Notwithstanding the foregoing, in the event that deferred tax being taken into account of, it is expected that the adverse impact on the Group's financial performance would be reduced.

In response to the severe and complex external environment, the Group will firmly advance its existing multi-brand strategy, actively implement market-driven sales strategy, and closely follow the pace of changes in domestic consumption patterns. The Group will further make use of spokesperson and promotional activities, and drive online sales of its brands with the aim of enhancing its brand awareness and driving the Group's overall sales in the future. Meanwhile, the Group will strictly control its costs and enhance its efforts in increasing its efficiency in order to strive for improving its overall performance in the second half of 2024. The Board and management are confident in the Company's long-term development.

The information contained in this announcement is only based on the Board's preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for the Interim Period. The Group's interim results are subject to further review by the Board, the audit committee of the Board and the Company's independent auditor. Therefore, the actual results of the Group for the Interim Period may differ from the information contained in this announcement. Shareholders of the Company and potential investors are advised to refer to the details in the interim results announcement of the Company for the Interim Period, which will be released no later than the end of August 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On Behalf of the Board of
Embry Holdings Limited
Ngok Ming Chu
Chairman

Hong Kong, 2 August 2024

As at the date of this announcement, the Board comprises four executive Directors, namely Madam Ngok Ming Chu (Chairman), Ms. Cheng Pik Ho Liza (Chief Executive Officer), Mr. Cheng Chuen Chuen and Ms. Lu Qun; and four independent non-executive Directors, namely Mr. Chan Chi On, Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S.