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## **EMBRY HOLDINGS LIMITED**

**安莉芳控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1388)**

### **(1) PROFIT WARNING AND (2) ANNOUNCEMENT ON SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2021**

This announcement is made by Embry Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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).

#### **PROFIT WARNING**

The board (the “**Board**”) of directors of the Company (the “**Directors**”) wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Company and the preliminary review of the unaudited consolidated results of the Group for the year ended 31 December 2021 (the “**Relevant Period**”), it is expected that the Group may record a net loss attributable to owners of the Company of around HK\$30 million for the Relevant Period as compared to the loss attributable to owners of the Company of around HK\$3 million for the year ended 31 December 2020.

The net loss of the Group for the Relevant Period was mainly attributable to the slower revenue growth rate as compared with that of the increase in selling and distribution expenses. During the Relevant Period, the Group attempted to strengthen its advertising and retail outlet decoration efforts as a means to capture market opportunities brought by the expected normalisation of market demand in the second half of 2021. However, there was a weaker than expected consumer sentiment in the retail market of China during the second half of 2021 which was brought by, among others, the resurgence of COVID-19. Therefore, despite the overall sales of the Group during the Relevant Period remained stable as compared to the corresponding period last year, the Group’s net loss attributable to owners of the Company for the Relevant Period increased as compared to the same period last year.

Given that the Group considers the operating performance for the Relevant Period did not meet up its expectations, the Group made an impairment provision of around HK\$26 million for the right-of-use assets for the Relevant Period. As a result, the Group expects to record a net loss attributable to owners of the Company of around HK\$30 million for the year ended 31 December 2021.

## **SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2021**

The overall sales of the Group during the period from October to December 2021 (the “**Q4 Period**”) decreased by around 13% as compared to the same period of last year. During the Q4 Period, for stores that had been in operation for more than 24 months, same store sales recorded a double-digit decrease year-on-year. As at the end of December 2021, there were a total of 1,251 retail outlets, comprising 1,049 concessionary counters and 202 retail shops. The number of retail outlets net decreased by 147 as compared to the end of December last year. Since the Group has been in the process of adjusting its sales network, the Group will continue to close stores with lower efficiency during 2022 to enhance overall operational efficiency.

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 Relevant Period, and such information has not been audited or reviewed by the Company’s independent auditor or the audit committee of the Board. The Group’s results for the Relevant Period are subject to further review by the Board, and will be audited or reviewed by the Company’s auditor and the audit committee of the Board prior to the finalisation of such accounts. Therefore, the actual results of the Group for the Relevant Period may differ from the information contained in this announcement.

**Shareholders of the Company 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**  
**Cheng Pik Ho Liza**  
Executive Director &  
Chief Executive Officer

Hong Kong, 31 January 2022

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