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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) ANNOUNCEMENT ON SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2023 AND (2) PROFIT WARNING ANNOUNCEMENT**

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).

Reference is made to the announcement of the Company dated 27 October 2023 (the “**October Announcement**”) in relation to the sales update for the period from July to September 2023 (“**Q3 Period**”).

### **SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER 2023 (“Q4 PERIOD”)**

As disclosed in the October Announcement, the Group commenced allocating more resources for its sales and marketing, such as engagement of spokespersons and organisation of more promotional activities, during the Q3 Period. Such activities aimed at increasing the Group’s brand awareness and driving the overall sales of the Group going forward.

Apart from engagement of spokespersons and organisation of more promotional activities, the Group has also allocated more resources to decorate its stores as part of its sales and marketing strategies since the Q3 Period.

Benefitting from the Group’s enhanced brand awareness from the abovementioned activities since the Q3 Period, the overall sales of the Group during the Q4 Period increased by approximately 12.4% as compared to that of the same period in 2022. During the Q4 Period, for stores that had been in operation for more than 24 months, same store sales recorded a year-on-year double-digit increase. As at the end of December 2023, there were a total of 1,007 retail outlets, comprising 840 concessionary counters and 167 retail shops. The number of retail outlets net decreased by 77 as compared to the end of December in 2022.

## **PROFIT WARNING**

Notwithstanding the Group has implemented a series of measures to (i) increase its sales, such as allocating more resources for its sales and marketing activities; and (ii) stringently control and reduce its costs since Q3 Period, the Group only benefitted from such measures in Q4 Period with an improved sales performance. Based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“FY2023”), it is expected that the overall sales of the Group for FY2023 decreased by approximately 4% due to the depreciation of Renminbi, whereas at a constant exchange rate, the Group’s sales from the Chinese Mainland market remained nearly the same as compared to the year ended 31 December 2022 (“FY2022”).

In addition, there was an increase in selling and distribution expenses in FY2023, which was mainly attributable to the Group putting more resources in its sales and marketing as mentioned above. Accordingly, despite of the improved sales performance in Q4 Period, it is expected that the Group may record a loss attributable to owners of the Company of approximately HK\$72.0 million for FY2023, as compared to the loss attributable to owners of the Company of approximately HK\$51.2 million for FY2022.

As the Group began to benefit from the abovementioned measures in Q4 Period, the Group plans to continue implementing such measures to cope with challenges ahead going forward.

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 FY2023, 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 annual results for FY2023 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 FY2023 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**  
**Ngok Ming Chu**  
Chairman

Hong Kong, 31 January 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.*