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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 ANNOUNCEMENT – FURTHER UPDATE AND (2) ANNOUNCEMENT ON SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2020**

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 profit warning announcement of the Company dated 28 April 2020 (the “**April Announcement**”) and the profit warning further update announcement of the Company dated 24 July 2020 (the “**July Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the April Announcement and July Announcement unless otherwise stated.

#### **PROFIT WARNING – FURTHER UPDATE**

During the year ended 31 December 2020 (“**FY2020**”), in response to the adverse impact caused by the outbreak of COVID-19, the Group implemented an array of cost control measures and adjustments of sales network. The Board wishes to further inform the shareholders and potential investors of the Company that during the period from October to December 2020 (the “**Q4 Period**”), as the COVID-19 has been gradually stabilising in the Mainland of China, the overall sales of the Group and the operation of retail outlets, production lines and back offices have seen gradual recovery. Despite so, based on the preliminary assessment after reviewing the latest consolidated management account of the Group for FY2020, further to the reasons set out in the April Announcement and July Announcement, sales update as details in the section below and after taking into account of (a) the decrease in overall sales of the Group during FY2020; (b) the cost incurred from the overall compensation for loss of office to employees during FY2020 and the relevant compensation costs were agreed between the Group and the relevant individuals during the same period; and (c) the assets impairment of the Group to be made as a result of unsatisfactory financial performance of the Group for FY2020, it is expected that the Group may record a net loss around HK\$10 million for FY2020.

The Board will continue to monitor the development of COVID-19 and the business performance of the Group and implement appropriate measures to cope with future uncertainties.

#### **SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2020**

Since the retail market in China has been affected by the outbreak of COVID-19 continuously during the Q4 Period, overall sales of the Group for the Q4 Period decreased by approximately 15% 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 2020, there were a total of 1,398 retail outlets, comprising 1,177 concessionary counters and 221 retail shops. The number of retail outlets net decreased by 266 as compared to the end of December last year.

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 year ended 31 December 2020, 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 year ended 31 December 2020 are subject to further review by the Board, and will be audited by the Company's auditor and reviewed by the audit committee of the Board prior to the finalisation of such accounts. Therefore, the actual results of the Group for the year ended 31 December 2020 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 Man Tai**  
Chairman

Hong Kong, 22 January 2021

*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.*