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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 APRIL TO JUNE OF 2019**

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 21 June 2019 (the “**June Announcement**”). Capitalised terms used herein shall have the same meanings as defined in the June Announcement unless otherwise stated.

#### **UPDATE ON PROFIT WARNING**

As stated in the June Announcement, it is expected that the net profit of the Group for the six months ended 30 June 2019 will decrease. The Board wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Company and the preliminary assessment of the latest consolidated management accounts of the Group for the six months ended 30 June 2019, it is expected that the Group may record a decrease in net profit by approximately 40% for the six months ended 30 June 2019. The decrease in the net profit of the Group was mainly attributable to, among others, (i) continuous weak retail environment with more cautious consumption sentiments caused by the global macroeconomic uncertainties; (ii) decrease in gross profit margin; and (iii) increase in overall operating expense as a percentage of revenue.

#### **SALES UPDATE FOR THE PERIOD FROM APRIL TO JUNE OF 2019**

Due to (i) decrease in the overall sales derived from concessionary counters; and (ii) the depreciation of Renminbi during the period from April to June 2019 (the “**Period**”), as compared to the same period of last year, the overall sales of the Group during the Period decreased by approximately 16% as compared to the same period of last year. During the Period, for stores that had been in operation for more than 18 months, same store sales recorded a single-digit decrease year-on-year. As at the end of June 2019, there were a total of 1,737 retail outlets, comprising 1,463 concessionary counters and 274 retail shops. The number of retail outlets net decreased by 100, 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 2019 to enhance overall operational efficiency.

The information contained in this announcement is only based on the Board's preliminary assessment after reviewing the latest unaudited consolidated management accounts of the Group for the six months ended 30 June 2019 and the information currently available. The Group's interim results are subject to further review by the auditors of the Company, the Board and the audit committee of the Board. Therefore, the actual interim results of the Group for the six months ended 30 June 2019 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 six months ended 30 June 2019, which is to be released no later than August 2019.

**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, 24 July 2019

*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.*