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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 AND (2) ANNOUNCEMENT ON SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2022

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 28 October 2022 (the “**October Announcement**”) in relation to, among other things, (i) update on the profit warning announcement of the Company dated 23 June 2022; and (ii) sales update for the period from July to September 2022. Capitalised terms used herein shall have the same meanings as defined in the October Announcement.

PROFIT WARNING

As disclosed in the October Announcement, the financial performance of the Group for the nine months ended 30 September 2022 (the “**Relevant Period**”) was adversely affected mainly by (i) the decrease in sales as compared to that for the same period in 2021 due to the continuously weak consumption sentiment and partial suspension of the Group’s sales outlets in various cities of China as a result of the resurgence of COVID-19 pandemic in various parts of China; (ii) the persistent depreciation of Renminbi; and (iii) the decrease in government subsidy income during the Relevant Period.

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 2022 (the “**FY2022**”), due to the same reasons for the deterioration of financial performance of the Group for the Relevant Period as set out above and the more sluggish economic and market conditions for the period from October to December 2022 (the “**Q4 Period**”), it is expected that the Group may record loss attributable to owners of the Company of around HK\$50 million for FY2022, as compared to the loss attributable to owners of the Company of approximately HK\$27.5 million for the year ended 31 December 2021.

SALES UPDATE FOR THE Q4 PERIOD

The overall sales of the Group during the Q4 Period continued to deteriorate and decreased by approximately 32% as compared to that of 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 2022, there were a total of 1,084 retail outlets, comprising 915 concessionary counters and 169 retail shops. The number of retail outlets net decreased by 167 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 adjust the number of retail outlets during 2023 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 FY2022, 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 FY2022 are subject to further review by the Board, and will be audited or reviewed by the Company's independent auditor and the audit committee of the Board prior to the finalisation of such accounts. Therefore, the actual results of the Group for FY2022 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 2023

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 three independent non-executive Directors, namely Mr. Lau Siu Ki, Mr. Lee Kwan Hung and Prof. Lee T. S.