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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 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).

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 2019 (the “**Relevant Period**”), it is expected that the net profit of the Group for the Relevant Period will decrease by approximately 50% as compared to that for the year ended 31 December 2018. The decrease in the net profit of the Group was mainly attributable to (i) the mid-single-digit decrease in sales as compared to that of last year; (ii) the decrease in gross profit as compared to that of last year; (iii) the decrease in government subsidy income during the Relevant Period; and (iv) the decrease in fair value of the Group’s property located in Shanghai, China.

SALES UPDATE FOR THE PERIOD FROM OCTOBER TO DECEMBER OF 2019

The overall sales of the Group during the period from October to December 2019 (the “**Q4 Period**”) remained steady 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 single-digit decrease year-on-year. As at the end of December 2019, there were a total of 1,664 retail outlets, comprising 1,382 concessionary counters and 282 retail shops. The number of retail outlets net decreased by 173 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 2020 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 year ended 31 December 2019, and such information has not been audited or reviewed by the Company's independent auditors or the audit committee of the Board. The Group's results for the year ended 31 December 2019 are subject to further review by the Board, and will be audited or reviewed by the Company's auditors and 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 2019 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, 23 January 2020

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.