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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) POSITIVE PROFIT ALERT AND (2) ANNOUNCEMENT ON SALES UPDATE FOR THE PERIOD FROM APRIL TO JUNE OF 2021

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).

POSITIVE PROFIT ALERT

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 assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the “**Interim Period**”), it is expected that the Group will record a profit attributable to owners of the Company of approximately HK\$30 million for the Interim Period as compared to the loss attributable to owners of the Company of approximately HK\$39 million for the corresponding period in 2020. The profit attributable to owners of the Company was mainly attributable to the (i) improvement in sales resulted from the normalised market demand in the mainland retail market in the Interim Period as compared with the corresponding period in 2020, and (ii) a decrease in other expenses, in particular (a) provision for impairment of right-of-use assets; and (b) compensation for the loss of office resulting from the Group’s internal restructuring, due to the expected normalisation in the operating environment and the sales of the Group during the Interim Period, as compared to weak sales performance of the Group’s retail stores due to the impact of the COVID-19 pandemic during the corresponding period in 2020.

SALES UPDATE FOR THE PERIOD FROM APRIL TO JUNE OF 2021

During the period from April to June 2021 (the “**Q2 Period**”), overall sales of the Group for the Q2 Period stayed flat as compared to the same period of last year, mainly attributable to the appreciation of Renminbi during the Q2 Period, whereas at constant exchange rate, the Group’s sales from the mainland China market decreased. During the Q2 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 2021, there were a total of 1,340 retail outlets, comprising 1,121 concessionary counters and 219 retail shops. The number of retail outlets net decreased by 58 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 Interim Period. The Group's interim results are subject to review by the Board, the audit committee of the Board and the Company's independent auditor. Therefore, the actual results of the Group for the Interim Period 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 results announcement of the Company for the Interim Period, which will be released no later than August 2021.

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 July 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.