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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 JANUARY TO MARCH 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).

### **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 assessment of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2020 (the “**Q1 Period**”), it is expected that the net profit of the Group for the six months ending 30 June 2020 will decrease as compared to that for the same period last year. The decrease in the net profit of the Group was mainly attributable to (i) the temporary suspension of operations of various shops of the Group in the People’s Republic of China (the “**PRC**”) during February and March caused by the outbreak of the new contagious coronavirus pneumonia epidemic (“**COVID-19**”); and (ii) the overall sluggish atmosphere in the retail market in the PRC and Hong Kong.

During the Q1 Period, in response to the adverse impact caused by the outbreak of COVID-19, the Group implemented an array of cost control measures. In order to ride out the current difficult times with the employees of the Group, the chairman of the Board and the executive directors voluntarily reduced their remuneration by 75% for three months since March 2020. On the other hand, the Group simplified its corporate structure and carried out reasonable deployment in order to lower staff cost. 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. At the same time, the Group will actively expand the online retail market, further optimise its sales channel, and gradually grasp the growing demand for online shopping.

## **SALES UPDATE FOR THE PERIOD FROM JANUARY TO MARCH OF 2020**

The overall sales of the Group during the Q1 Period recorded a decrease of approximately 30% as compared to the same period of last year. During the Q1 Period, for stores that had been in operation for more than 15 months, same store sales recorded a double-digit decrease year-on-year. As at the end of March 2020, there were a total of 1,611 retail outlets, comprising 1,337 concessionary counters and 274 retail shops. The number of retail outlets net decreased by 53 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 Q1 Period. The Group's half year results are subject to review by the Board, and will be reviewed by the Company's independent auditors. Therefore, the actual results of the Group for the six months ending 30 June 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, 28 April 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.*