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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 2018

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 review of the unaudited consolidated results of the Group for the six months ended 30 June 2018, it is expected that the net profit of the Group for the six months ended 30 June 2018 will increase by approximately 30% as compared to that for the six months ended 30 June 2017. The increase in the net profit of the Group was mainly attributable to the increase in gross profit margin for the six months ended 30 June 2018, as compared to the same for the six months ended 30 June 2017.

SALES UPDATE FOR THE PERIOD FROM APRIL TO JUNE OF 2018

Due to (i) the appreciation of Renminbi during the period from April to June 2018 (the “**Period**”), as compared to the same period of last year; and (ii) increase in the overall sales derived from various sales channels including the retail outlets and the online sales platforms, the overall sales of the Group during the Period increased by approximately 14% 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 growth year-on-year. As at the end of June 2018, there were a total of 1,867 retail outlets, comprising 1,632 concessionary counters and 235 retail shops. The number of retail outlets net decreased by 58 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 2018 to enhance overall operational efficiency.

Information in this announcement is based on the preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2018 which have not been reviewed or audited by the auditors of the Company.

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 July 2018

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.