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B.Duck Semk Holdings International Limited

小黃鴨德盈控股國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2250)

PROFIT WARNING

This announcement is made by B.Duck Semk Holdings International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board and the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“**FY2023**”), the Group is expected to record a loss attributable to the owners of the Company of not less than HK\$40.0 million for FY2023, as compared with a profit attributable to the owners of the Company of approximately HK\$75.6 million for the year ended 31 December 2022 (“**FY2022**”).

The Board considers that such expected loss attributable to the owners of the Company was mainly attributable to the following reasons:

1. recognition of share-based compensation relating to awarded shares granted under the share award scheme of the Company in order to provide key employees with incentives for continual operation and development of the Group;
2. the decrease in gross profit margin for e-commerce business as a result of the Group’s prioritized utilization of accumulated inventory balance of merchandise from the previous years in one go;
3. the decrease in overall revenue and other income including a drop in revenue generated from the Group’s character licensing business due to a decrease in additional royalties collected from the licensees due to the weakened consumer sentiment during FY2023; and

4. to actively promote the construction of the Internet Grand Entertainment Centre which is dedicated to the research and development and production of games and sales of derivative merchandizes; and establish a design team which applies AI techniques and strengthens creativity resulting in an increase in overall expenses.

The Company is still in the process of finalising its annual results for FY2023. The information contained in this announcement is only based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for FY2023 and the information currently available to the Board, which have not been finalised nor reviewed by the Company's auditor or the audit committee of the Company, and therefore may be subject to adjustments. Shareholders and potential investors are advised to refer to the announcement of the annual results of the Group for FY2023, which is expected to be published by end of March 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
B.Duck Semk Holdings International Limited
Hui Ha Lam
Chairman of the Board and Executive Director

Hong Kong, 13 March 2024

As at the date of this announcement, the Board comprises Mr. Hui Ha Lam as chairman of the Board and executive Director, Mr. Kwok Chun Kit, Mr. Cheung Chin Yiu, and Mr. Tse Tsz Leong as executive Directors, Mr. Li Xiang as non-executive Director and Ms. Leung Ping Fun Anita, Mr. Sung Chi Keung and Dr. Chan Kai Yue Jason, MH, JP as independent non-executive Directors.