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Veeko®

VEEKO INTERNATIONAL HOLDINGS LIMITED

威高國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1173)

INSIDE INFORMATION – PROFIT WARNING

This announcement is made by Veeko International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2024 (the “**Year**”) and the information currently available, as compared to a profit after tax of approximately HK\$5,027,000 recorded for the year ended 31 March 2023 (the “**Previous Year**”), the Group is expected to record a loss after tax ranging from approximately HK\$38,000,000 to HK\$42,000,000 for the Year.

The expected loss for the Year is mainly attributable to the combined impact of the followings:

- (i) the finance costs for the Year increased significantly compared with that of the Previous Year by approximately HK\$17,569,000 due to the increase in bank borrowing rates;
- (ii) the fair value of the Group’s investment properties dropped from an increase of approximately HK\$19,881,000 for the Previous Year to an increase of approximately HK\$5,324,000 for the Year;
- (iii) no allowances or subsidies related to COVID-19 epidemic was received from governments during the Year, while approximately HK\$16,244,000 of such allowances and subsidies was received during the Previous Year; and

- (iv) the gross profit margin of fashion segment increased in the Year when compared with that of the Previous Year, while the gross profit margin of cosmetics segment decreased. Since the turnover of cosmetics segment represented a larger portion to the overall turnover than that of fashion segment, the overall gross profit margin decreased in the Year when compared with that of the Previous Year.

In view of the continuing high bank borrowing rates, Mr. Cheng Chung Man, Johnny and Ms. Lam Yuk Sum, both executive Directors, have provided a revolving loan facility up to HK\$350,000,000 to the Group, with the purpose of repaying partial of the loans under the Group's banking facilities, in order to reduce loan interest expenses in the future and to provide working capital conduct in the normal course of business.

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 and the information currently available, and such information has not been audited or reviewed by the Company's independent auditor. The Group's results are subject to review by the Board, and the audit committee of the Board. Therefore, the actual results of the Group for the Year may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the details in the annual results announcement of the Company for the Year, which is to be released not later than 30 June 2024.

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

By Order of the Board
Veeko International Holdings Limited
Cheng Chung Man, Johnny
Chairman

Hong Kong, 14 June 2024

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cheng Chung Man, Johnny (Chairman) and Ms. Lam Yuk Sum, one non-executive Director, namely Mr. Lam Man Tin, and three independent non-executive Directors, namely Mr. Au-Yeung Hau Cheong, Mr. Cheng Man Loong, Monty and Mr. Yeung Wing Kay.