

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2024 (the “**2024 Interim Period**”) and the information currently available, the Group is expected to record a loss after tax ranging from approximately HK\$45,000,000 to approximately HK\$53,000,000 for the 2024 Interim Period, as compared with a loss after tax of approximately HK\$864,000 for the six months ended 30 September 2023 (the “**2023 Interim Period**”).

The expected increase in loss after tax was mainly attributable to the combined impact of the following:

- (i) decline in the Group’s turnover in both cosmetics and fashion segments while coupled with the decline in gross profit margin of cosmetics segment;
- (ii) increase in finance costs of approximately HK\$4,799,000 for the 2024 Interim Period mainly due to increased borrowings (including the loans from directors);

- (iii) exchange loss of approximately HK\$1,744,000 was recorded for the 2024 Interim Period instead of exchange gain of approximately HK\$2,884,000 for the 2023 Interim Period due to change of exchange rate;
- (iv) no reversal of expected credit loss for trade receivables was recorded during the 2024 Interim Period, while approximately HK\$3,381,000 of reversal of expected credit loss for trade receivables was recorded during the 2023 Interim Period;
- (v) the increase amount in fair value of the Group's investment properties for the 2024 Interim Period (i.e. approximately HK\$289,000) was significantly less than the same for the 2023 Interim Period (i.e. approximately HK\$3,378,000); and
- (vi) an impairment loss of right-of-use assets for the 2024 Interim Period was recorded because the recoverable amounts of right-of-use assets for the 2024 Interim Period of certain retail stores were lower than the carrying amounts as at 30 September 2024, whereas no impairment loss of right-of-use assets was recorded for the 2023 Interim Period.

The recovery of retail markets in Hong Kong and Macau has been hindered by increased outbound travel and the slow return of visitors, thus impacting the Group's sales performance. Despite the sluggish retail environment, the management strives for profitability through swift actions and maintains a positive long-term outlook. The implementation of a series of adjusted sales and marketing strategies by the Group has led to improvements in its retail sales from October to early November 2024, with the comparable retail sales growth rate in the cosmetics segment showing a double-digit year-on-year improvement, coupled with a year-on-year improvement in gross profit margin. By diversifying its product portfolio and launching an extensive customer loyalty program, these lay a solid foundation for the Group's long-term growth. In addition, the Group has implemented cost-optimization strategies, stringently controlled costs and expenditures, in order to expedite the restoration of profitability.

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 2024 Interim Period and the information currently available. The Group's interim results for the 2024 Interim Period are subject to review by the Board, and the audit committee of the Board. Therefore, the actual results of the Group for the 2024 Interim Period may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the 2024 Interim Period, which is to be released not later than 30 November 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 November 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.