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 2025 (the "**Year**") and the information currently available, as compared to a loss after tax of approximately HK$40,043,000 recorded for the year ended 31 March 2024 (the "**Previous Year**"), the Group is expected to record a loss after tax ranging from approximately HK$120,000,000 to HK$126,000,000 for the Year.

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

(i) a decrease in revenue from both the cosmetics and fashion business segments which led to decline in gross profit. The decrease in revenue was due to the Group's reduction in the number of stores during the Year, continued northbound consumption and overseas travel by Hong Kong residents, and reduced consumption from tourists;

(ii) a decrease in fair value of the Group's investment properties of approximately HK$40,918,000 for the Year, as compared to an increase in fair value of the Group's investment properties of approximately HK$5,324,000 in the Previous Year; and

(iii) the finance costs for the Year amounted to approximately HK$39,781,000, as compared to approximately HK$34,805,000 in the Previous Year.

Despite the sluggish retail environment, management has taken a number of swift countermeasures to proactively restore profitability and remains cautiously optimistic about the long-term prospects. Through the implementation of a series of sales and marketing strategies, the Group's sales performance has improved. From April to early June 2025, the same-store sales of the fashion business recorded a single-digit year-on-year growth, while the gross profit margin of the cosmetics business increased as compared with the same period in the Previous Year.

On the other hand, the Group will continue to negotiate reasonable rents with landlords to reduce rental costs and close underperforming stores to optimize its retail network. In the financial year ending 31 March 2026, the Group has 58 stores whose leases have expired or will expire, accounting for 56% of all store leases. In the current weak retail leasing market, the Group believes that it will have stronger bargaining power to negotiate better rental terms for the Group.

The Group is primarily engaged in cosmetics and fashion retail businesses, and also holds investment properties and self-occupied properties. The properties were valued at approximately HK$698,646,000 as at 31 March 2025, based on the valuations conducted by independent qualified professional valuers Jones Lang LaSalle Limited and Jones Lang LaSalle Corporate Valuation & Advisory Limited, as financial support to the Group. As at 31 March 2025, the Group's total bank borrowings were approximately HK$178,095,000. The low level of Hong Kong Interbank Offered Rate in recent months has helped the Group reduce its interest expenses. The Group will continue to prudently manage its financial and cash position.

Besides, with the purpose of repaying loans under the Group's banking facilities in order to reduce interest expenses in the future and to provide working capital conduct in the normal course of business, Mr. Cheng Chung Man, Johnny and Ms. Lam Yuk Sum, both executive Directors, have provided financial support with revolving loan facilities up to HK$375,000,000 to the Group.

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 2025.

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, 16 June 2025

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 Ms. Lau Sze Tung.