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)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31ST MARCH, 2007

AUDITED RESULTS

The board of directors (the "Directors") of Veeko International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2007 together with the comparative figures for the previous corresponding year, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2007

	Notes	**2007** ***HK$'000***	2006 *HK$'000*
Turnover	*4*	**642,287**	581,315
Cost of sales		**(237,219)**	(211,581)
Gross profit		**405,068**	369,734
Selling and distribution costs		**(278,779)**	(261,008)
Administrative expenses		**(98,135)**	(86,476)
Other income		**7,649**	12,438
Increase in fair values of investment properties		**5,710**	23,350
Finance costs		**(651)**	(111)
Profit before taxation	*5*	**40,862**	57,927
Taxation	*6*	**(3,901)**	(8,437)
Profit for the year		**36,961**	49,490
Dividends paid	*7*	**29,929**	34,822
Earnings per share	*8*		
Basic		**HK2.223 cents**	HK2.986 cents
Diluted		**HK2.218 cents**	HK2.961 cents

CONSOLIDATED BALANCE SHEET

At 31st March, 2007

	Notes	2007 HK$'000	2006 HK$'000
Non-current Assets			
Investment properties		**52,260**	46,550
Property, plant and equipment		**69,785**	41,577
Prepaid lease payments		**9,154**	3,596
Rental deposits		**25,100**	25,921
Deferred tax assets		**5,046**	1,411
		161,345	119,055
Current Assets			
Inventories		**132,636**	121,521
Trade and other receivables	*9*	**30,295**	59,424
Prepaid lease payments		**242**	89
Rental and utility deposits		**17,815**	12,586
Tax recoverable		**1,573**	2,639
Pledged bank deposits		**1,000**	1,000
Bank balances and cash		**25,429**	52,065
		208,990	249,324
Current Liabilities			
Trade and other payables	*10*	**39,567**	69,339
Bank borrowings - secured		**20,693**	–
Bank overdrafts - secured		**406**	–
Obligations under finance leases – due within one year		**–**	80
Tax payable		**5,700**	1,865
		66,366	71,284
Net Current Assets		**142,624**	178,040
		303,969	297,095
Capital and Reserves			
Share capital		**16,627**	16,617
Reserves		**282,149**	276,532
		298,776	293,149
Non-current Liability			
Deferred tax liabilities		**5,193**	3,946
		303,969	297,095

Notes:

1. Basis of Preparation

The audited consolidated financial statements are prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements also comply with applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

2. Application of New and Revised Hong Kong Financial Reporting Standards

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are either effective for accounting periods beginning on or after 1st December, 2005, 1st January, 2006 or 1st March, 2006. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

3. Potential Impact Arising on the New Accounting Standards Not Yet Effective

The Group has not early applied the following new standards, amendment and interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKAS 23 (Revised)	Borrowing Costs[2]
HKFRS 7	Financial Instruments: Disclosures[1]
HKFRS 8	Operating Segments[2]
HK(IFRIC) – INT 8	Scope of HKFRS 2[3]
HK(IFRIC) – INT 9	Reassessment of Embedded Derivatives[4]
HK(IFRIC) – INT 10	Interim Financial Reporting and Impairment[5]
HK(IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions[6]
HK(IFRIC) – INT 12	Service Concession Arrangements[7]

[1] Effective for annual periods beginning on or after 1st January, 2007.

[2] Effective for annual periods beginning on or after 1st January, 2009.

[3] Effective for annual periods beginning on or after 1st May, 2006.

[4] Effective for annual periods beginning on or after 1st June, 2006.

[5] Effective for annual periods beginning on or after 1st November, 2006.

[6] Effective for annual periods beginning on or after 1st March, 2007.

[7] Effective for annual periods beginning on or after 1st January, 2008.

4. Turnover and Segments Information

Turnover

Turnover represents the fair value of amounts received and receivable for goods sold, less returns and allowances, by the Group to outside customers during the year.

Business segments

The Group operates and manages the business segments as a strategic organisational unit for internal financial reporting purposes and determined that business segments by products are its primary reporting segments. As a result, the Group's operations was organised into two reporting segments comprising manufacture and sale of ladies fashion and sale of cosmetics. Segment information about these businesses is presented below:

2007
INCOME STATEMENT

	Fashion	Cosmetics	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER				
Sales of goods	**514,513**	**127,774**	**–**	**642,287**
Inter-segment sales	**92**	**132**	**(224)**	**–**
	514,605	**127,906**	**(224)**	**642,287**

Inter-segment sales are charged at prevailing market rates.

	Fashion	Cosmetics	Eliminations	Consolidated
SEGMENT RESULT	**44,071**	**(8,647)**		**35,424**
Unallocated corporate income				**11,090**
Unallocated corporate expenses				**(5,001)**
Finance costs				**(651)**
Profit before taxation				**40,862**
Taxation				**(3,901)**
Profit for the year				**36,961**

2006
INCOME STATEMENT

	Fashion	**Cosmetics**	**Eliminations**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER				
Sales of goods	497,665	83,650	–	581,315
Inter-segment sales	138	2,152	(2,290)	–
	497,803	85,802	(2,290)	581,315

Inter-segment sales are charged at prevailing market rates.

SEGMENT RESULT	52,798	(17,529)		35,269
Unallocated corporate income				27,436
Unallocated corporate expenses				(4,667)
Finance costs				(111)
Profit before taxation				57,927
Taxation				(8,437)
Profit for the year				49,490

Geographical segments

The Group's operations are principally located in Hong Kong, Macau, Taiwan, Singapore and other regions of the People's Republic of China ("PRC"). The following is an analysis of the Group's sales by geographical market location:

	Turnover	
	2007	2006
	HK$'000	*HK$'000*
Hong Kong and Macau	**457,929**	373,418
Taiwan	**119,582**	146,252
Singapore	**36,664**	31,531
Other regions of the PRC	**28,112**	30,114
	642,287	581,315

5. Profit Before Taxation

	2007	2006
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Employee benefits expenses (including directors' emoluments):		
Salaries and other benefits	**149,086**	137,789
Retirement benefits scheme contributions	**5,005**	4,396
	154,091	142,185
Amortisation of prepaid lease payments	**89**	89
Auditors' remuneration:		
Current year	**1,471**	1,253
Underprovision in previous year	**12**	3
Cost of inventories recognised as expenses	**237,219**	211,581
Depreciation	**17,392**	16,253
Loss on disposal of property, plant and equipment	**950**	135
and after crediting:		
Rental income, with negligible outgoings	**3,244**	2,951
Net exchange gain	**3,242**	2,452
Interest income	**348**	505

6. Taxation

	2007	2006
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
Current year	**3,549**	2,403
Overprovision in prior years	**(548)**	(201)
	3,001	2,202
Overseas taxation	**3,668**	2,887
	6,669	5,089
Deferred tax:		
Current year	**(2,768)**	3,348
	3,901	8,437

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. Dividends Paid

	2007	2006
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2007 interim dividend of HK0.7 cent (2006: HK0.9 cent) per share	**11,639**	14,950
2006 final dividend of HK1.1 cents (2006: 2005 final dividend of HK1.2 cents) per share	**18,290**	19,872
	29,929	34,822

The 2007 final dividend of HK1.0 cent per share in cash with a scrip option has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

8. Earnings Per Share

	2007	2006
Earnings:		
Profit for the year and earnings for the purposes of basic and diluted earnings per share	**HK$36,961,000**	HK$49,490,000
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**1,662,435,616**	1,657,219,178
Effect of dilutive potential ordinary shares in respect of share options	**3,636,453**	14,282,917
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,666,072,069**	1,671,502,095

9. Trade and Other Receivables

At 31st March, 2007, included in the Group's trade and other receivables were trade receivables of HK$25,196,000 (2006: HK$55,332,000). The Group allows 30 to 60 days credit period for receivables from sales counters and an average credit period of 60 to 120 days to its wholesale customers. Details of the aged analysis of trade receivables are as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**17,521**	**15,872**
31 – 60 days	**4,207**	**6,898**
61 – 90 days	**571**	**8,285**
Over 90 days	**2,897**	**24,277**
	25,196	**55,332**

The fair value of the Group's trade and other receivables at the balance sheet date approximates the corresponding carrying amount.

10. Trade and Other Payables

At 31st March, 2007, included in the Group's trade and other payables were trade payables of HK$7,814,000 (2006: HK$42,905,000). Details of the aged analysis of trade payables are as follows:

	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**7,466**	9,355
31 – 60 days	**271**	3,573
61 – 90 days	**64**	8,793
Over 90 days	**13**	21,184
	7,814	42,905

The fair value of the Group's trade and other payables at the balance sheet date approximates the corresponding carrying amount.

DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of HK1.0 cent per share (each a "Share") of HK$0.01 each of the Company in respect of the year ended 31st March, 2007 to shareholders whose names appear on the register of members of the Company on 31st August, 2007 and also to recommend the offer to the shareholders the right to elect as an alternative, to receive such final dividend wholly or partly by allotment of new Shares credited as fully paid in lieu of cash (the "Scrip Dividend Scheme"), subject to the approval of the shareholders on the payment of final dividend at the annual general meeting of the Company and the granting by The Stock Exchange of Hong Kong Limited of the listing of, and permission to deal in, the Shares to be issued pursuant thereto.

The Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of such Shares save that they will not be entitled to the final dividend for the year ended 31st March, 2007.

On condition that the payment of the above final dividend is approved by the shareholders at the annual general meeting of the Company, a circular containing details of the Scrip Dividend Scheme will be despatched to the shareholders of the Company shortly after the annual general meeting of the Company.

BUSINESS REVIEW AND PROSPECTS

BUSINESS OVERVIEW

As at 31st March,2007, the Group recorded a turnover of HK$642,287,000 (2006: HK$581,315,000), representing an increase of 10.5% as compared with the corresponding period of the previous year. An amount of HK$127,774,000 of the turnover was contributed by the cosmetics business, representing an increase of 52.7% as compared with the corresponding period of the previous year (2006: HK$83,650,000). The turnover from the fashion business increased by 3.4% from the corresponding period of the previous year. The profit for the year was HK$36,961,000 (2006: HK$49,490,000), representing a decrease of 25.3% over the corresponding period of the previous year. This was attributable to the fact that the income from the increase in fair values of investment properties was HK$23,350,000 during the previous year, while this amount of income recorded during the year was only HK$5,710,000. If the effect of such special income was excluded, the profit before taxation would have recorded a slight increase of 1.7% as compared with the corresponding period of the previous year. The reason for the mild increase as compared with the previous year was primarily due to the establishment of three production plants by the Group during the year which are located at Shantou, Zhuhai and Macau respectively. The Shantou plant covers an area of approximately 31,355 square meters. The Group purchased the property at a consideration of approximately RMB27,091,000 in February 2007. The Group plans to integrate the existing rented plants and further enhance its production efficiency to cope with the future development of its retail business in the mainland China. By the end of 2006, the Group had also set up two production plants in the Zhuhai and Macau Cross-border Industrial Zone. The rented areas of Zhuhai and Macau plants amounted to approximately 7,800 square meters and approximately 5,900 square meters respectively. Both plants are currently in trial production. They can take full advantage of the cross-border industrial zone in the future and enjoy the CEPA zero tariff of Macau so as to match the rapid development of the retail business in China. The Group's failure to realise a relatively significant growth in its profit during the year is partially due to the fact that the initial preparation expenses invested into these three plants during the period were recognised in its accounts. In addition, the reason also accounted for the unsatisfactory results of the Taiwan market.

Fashion Business

As at 31st March, 2007, the turnover from fashion business amounted to HK$514,513,000, being an increase of 3.4% over the previous year and accounting for 80.1% of the Group's total turnover. The fashion business remained the key contributor to the Group's turnover and profit. As for the segment result, the segment result of the fashion business amounted to HK$44,071,000, representing a decrease of 16.5% from HK$52,798,000 of last year. This was primarily attributable to the unsatisfactory result in the Taiwan market.

Fashion Business – Hong Kong and Macau Market

As at 31st March, 2007, the Group had altogether 59 outlets in Hong Kong and Macau (2006: 63 outlets). During the period under review, the Hong Kong and Macau market recorded a turnover of HK$330,785,000, representing an increase of 14.1% as compared with the corresponding period of the previous year. This was mainly attributable to high-quality fabrics purchased by the Group, enhanced product quality, as well as diversified product portfolios and imported superior accessories. Such innovative measures were highly popular among customers and harvested a remarkable increase of turnover as compared with the corresponding period of the previous year.

Fashion Business – Taiwan Market

During the year, the retail business in Taiwan recorded a turnover of HK$118,952,000, representing a 18.6% decrease over the corresponding period of the previous year. This was primarily attributable to the unstable political status in Taiwan which continuously weakened its consumption power and confidence and aggravated the market environment. As at 31st March, 2007, the Group had 60 outlets in Taiwan, similar to the number of the previous year. During the period under review, Taiwan market accounted for 23.1% of the Group's total turnover in the fashion business.

Fashion Business – Singapore Market

During the year, the retail business in Singapore recorded a turnover of HK$36,664,000, representing a 16.3% increase over the corresponding period of the previous year. Since 2005, the results experienced a significant improvement and maintained positive momentum. As at 31st March, 2007, the Group had 12 outlets in Singapore (2006: 11 outlets).

Fashion Business – China Market

Leveraging on rapid economic growth and strong consumption power in mainland China, the Group started the development of the mainland China market by way of franchise several years ago. The Group already established a foreign-invested company in September 2006 and successfully obtained a wholly foreign-owned business license in the mainland China which allows it to carry out retail and wholesale business in the territory directly. The operation mode has been changed from franchise business into the parallel development of self-operating and franchise business. Most self-operating outlets opened in the last quarter of this financial year. The first self-operating outlet opened in December 2006. As at 31st March, 2007, there were 75 outlets in the mainland China offering ***Veeko*** and ***Wanko*** products, and the response received was promising. As at this year end, these outlets have recorded profits and encouraging results.

Cosmetics Business

The Group formally launched its cosmetics retail chain business in October 2004 and established the ***Colourmix*** stores. As at 31st March, 2007, the Group had 18 outlets (2006: 11 outlets), mainly in Hong Kong and Macau. During the year, the Group's cosmetics retail business recorded a turnover of HK$127,774,000, representing an increase of 52.7% as compared with the previous year, and the same-store sales increased by approximately 29.6% as compared with the previous year. As at 31st March, 2007, the Group's cosmetics business recorded a loss of HK$8,647,000, representing a significant decrease of 50.7% as compared with the loss of HK$17,529,000 of the corresponding period of the previous year. The improvement was largely attributable to the positive response to the exclusive products directly imported from overseas. The sales of the exclusive products accounted for approximately 43% of the total sales as at 31st March, 2007 while the percentage was 27.6% during the corresponding period of the previous year, which brought along a significant growth of gross profit margin. The gross profit margin of the cosmetics business was approximately 46.5% as at 31st March, 2007 while the percentage was 36.1% during the corresponding period of the previous year.

PROSPECTS

Fashion Business

As for its fashion business development, the Group will concentrate on the growth of its existing outlets in Hong Kong and Macau by maintaining the number of its outlets at the existing level in the coming year, continuously purchasing high-quality fabrics directly from overseas, further improving product quality and diversifying its product portfolios. These measures will help to improve the Group's turnover and profitability, as well as partly relieve the pressure caused by rental increase. The effectiveness of such measures can be reflected in the performance of the period between April and June 2007. The total turnover of the comparable outlets in Hong Kong and Macau from April to June 2007 recorded a remarkable increase of approximately 13.1% as compared with the corresponding period of the previous year. The Group is still confident about the business of the Taiwan market though it was affected by political factors and the tightening of credit card limits by local banks. The Group's future outlets will comprise mainly of department stores to partly relieve the pressure arising from rental increase of on-street shops. The Group will also maintain the number of its outlets at the existing level, close some outlets with high rental and unsatisfactory performance and enhance internal operation management. It is expected that these measures will contribute to the Group in the future. The Singapore market has been continuously making profit contribution to the Group. In the future, the Group will develop the Singapore market in a prudent manner. Due to the rapid economic growth and strong consumption power of the mainland China, the Group believes in the promising prospects of the retail business in the mainland China market. The first self-operating outlet opened in December 2006. As at 31st March, 2007, there were 75 outlets in China offering ***Veeko*** and ***Wanko*** products. The response received was promising and the outlets have recorded profits and encouraging results, encouraging the Group to facilitate the development of the mainland China market in the future. As at the end of June 2007, there were 95 outlets in the mainland China, covering key first-tier cities such as Beijing, Shanghai, Chengdu, Guangzhou, Shenzhen, Zhuhai, and also other regions such as Chongqing, Wuhan, Nanjing, Tianjin, Guiyang, Lanzhou, Shenyang, Shunde, Tangshan, Xiamen, Quanzhou, Qingdao, Jiangmen, Zhongshan, Yibin, Hefei, Baotou, Dongying, Haikou, Zhanjiang etc. The Group is optimistic towards the growth trend, and plans to develop the China market in fast pace and to establish more outlets. To satisfy the demand during the expansion in the mainland China market in the future, the Group has established three new plants during this year, which cover a total area of approximately 45,000 square meters. Based on the current operating situation, the Group believes in the limitless potential of the China retail industry and is confident about the market, which will become the Group's key market for future development.

Cosmetics Business

As for cosmetics business, the number of the outlets increased from 11 of the previous year to 18 of this year, and the basic scale of outlet network has been achieved. The cosmetics business recorded a significant growth in gross profit margin from 36.1% of the previous year to 46.5% of this year and the sales of comparable outlets also recorded an increase of 29.6% as compared with the corresponding period of the previous year, which was attributable to the outstanding response towards the exclusive brands continuously and directly imported from foreign countries, such as skin care products, perfume and other personal care products. As a result, the loss during this year has also experienced a significant improvement, decreasing by approximately 50.7% as compared with the corresponding period of the previous year and the operation performance has gradually turned up. Up to now, the number of the brands of exclusive skin care products and cosmetics products retailed by the Group has increased from 13 of the previous year to 20, including A.H.C, CL IV, Coréana, ENTIA, GATINEAU, GEO, Hēlēnēre, AMA DORIS, ESTEREL, FRAIS MONDE, INSETA, SWISSO LOGICAL, nokdu, which are mainly brands from France, Switzerland, Italy and Korea. The Group will concentrate on enriching the product series, increasing exclusive cosmetics products, training employees to offer excellent and professional services and also continously expanding outlets with high potentials. From April to June 2007, the gross profit margin increased further to 48.5% from 43% of the corresponding period of the previous year, the turnover of comparable outlets also recorded a single digit percentage increase over the corresponding period of the previous year, and the outlets established this year achieved satisfactory performance. The Group believes the cosmetics business has promising prospects, and that, based on the present development trend, it will contribute to the performance of the Group during the 2007/2008 financial year.

LIQUIDITY & FINANCIAL RESOURCES

The Group's working capital decreased from HK$178,040,000 as at 31st March, 2006 to HK$142,624,000 for the year while its current ratio and quick ratio were maintained at a healthy level of 3.15 and 1.15 times respectively.

As at the balance sheet date, the Group's cash and bank balances amounted to HK$26,429,000 (2006: HK$53,065,000) and the outstanding bank borrowings and overdraft amounted to HK$21,099,000 (2006: Nil) whereas the total borrowings was HK$21,099,000 (2006: HK$80,000). The increase in total borrowings was mainly attributable to the acquisition by the Group of an industrial building of approximately 31,355 square meters in Shantou at a consideration of RMB27,091,000 during the year. Besides, the establishment of a plant in Zhuhai and a plant in Macau, and the opening of self-operating shops in the Mainland China also resulted in the increase in the total borrowings for the year. As a result, the capital expenditure amounted to HK$44,274,000 for the year, representing 156.5% increase comparing to HK$17,262,000 for the last year.

As at the balance sheet date, the gearing ratio of the Group is 0.07 (2006: 0.0003) which is calculated based on the Group's total borrowings of HK$21,099,000 (2006: HK$80,000) and the shareholders' fund of HK$298,776,000 (2006: HK$293,149,000).

As at 31st March, 2007, the Group had banking facilities amounting to HK$82,627,000 (2006: HK$108,200,000), of which HK$24,021,000 (2006: HK$8,732,000) was utilised by the Group. The management believes that existing financial resources will be sufficient to meet future expansion plans and, if necessary, the Group will be able to obtain additional financing on favorable terms.

PLEDGE OF ASSETS

As at the balance sheet date, the amount of assets pledged by the Group to certain banks to secure general banking facilities granted to the Group was HK$67,098,000 (2006: HK$60,253,000).

FOREIGN EXCHANGE EXPOSURE

Certain trade payables and purchases of the Group are denominated and settled in foreign currencies. The management will continue to monitor its foreign exchange position and, if necessary, will hedge its foreign currency exposure by way of forward foreign exchange contract.

STAFF & REMUNERATION POLICIES

As at the balance sheet date, the Group had 3,567 employees (2006: 3,567). The Group mainly determines staff remuneration (including insurance and medical benefits) in accordance with the industry's practices. The Group also implemented a reward scheme for its staff based on their individual performances. In addition to their basic remuneration and welfare, some key employees were granted share options as reward and incentive to enhance their loyalty to the Group.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlements to the final dividend for the year ended 31st March, 2007, the register of members of the Company will be closed from 28th August, 2007 to 31st August, 2007 (both days inclusive) during which period no transfer of Shares will be registered. The last day for dealing in Shares cum entitlements to the proposed final dividend for the year ended 31st March, 2007 will be 23rd August, 2007. Shareholders are reminded that in order to qualify for the proposed final dividend for the year ended 31st March, 2007, all transfers of Shares accompanied by the relevant share certificate and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Secretaries Limited (to be renamed as Tricor Secretaries Limited with effect from 1st August, 2007), at 26th Floor, Tesbury Centre, 28 Queen's Rod East, Wanchai, Hong Kong not later than 4:30 p.m. on 27th August, 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Group has complied with the code provisions ("Code Provision") set out in the Code on Corporate Governance Practices ("CG Code") in Appendix 14 of the Listing Rules throughout the year ended 31st March, 2007, except for the deviation from Code Provisions A.4.2.

During the year under review, to conform with Code Provisions A.4.2 of the CG Code, amendment was made to the Company's Articles of Association on 21st August, 2006 so that all director including those appointed for a specific term or holding office as Chairman or Managing Director will be subject to retirement by rotation once every three year and any new director appointed to fill a casual vacancy shall be subject to re-election by shareholders at the first general meeting after his/her appointment.

Detailed information on the Company's corporate governance practice is set out in the Corporate Governance Report of the Company's 2007 Annual Report.

AUDIT COMMITTEE

The audit committee has reviewed the financial results for the year ended 31st March, 2007.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company's preliminary results announcement for the year ended 31st March, 2007 containing all information required by Appendix 16 of the Listing Rules is published on the website of the Stock Exchange at http://www.hkex.com.hk under "Latest Listed Company Information" and the Company's website at http://www.irasia.com/listco/hk/veeko.htm. The annual report of the Company for the year ended 31st March, 2007 will be dispatched to the shareholders and published on the above website in due course.

APPRECIATION

On behalf of the Board, I would like to extend my heartfelt thanks to all the employees for their devotion, contribution and diligence and my deepest gratitude to all the shareholders, customers, suppliers and business partners for their continuous support. I sincerely hope that all of you will continue to contribute to the success of the Group.

On behalf of the Board
Cheng Chung Man, Johnny
Chairman

Hong Kong, 23rd July, 2007

As at the date of this announcement, the Board comprises Mr. Cheng Chung Man, Johnny and Ms. Lam Yuk Sum as executive directors, Mr. Cheng Chung Hoo, Mr. Yang Wei Tak and Mr. Yeung Wing Kay as independent non-executive directors.