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VERTICAL INTERNATIONAL HOLDINGS LIMITED

弘浩國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8375)

PROFIT WARNING

This announcement is made by Vertical International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the information currently available to the Company and the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2018 (the “**Financial Year 2018**”), the Group is expected to record a significant decrease in net profit for the Financial Year 2018 of approximately 60% as compared to that for the year ended 31 December 2017 (excluding the listing expenses).

The Board considers the expected decrease in the Group’s net profit for the Financial Year 2018 is mainly attributable to (1) weakening demand in the consumer market under the uncertain global business environment as a result of the trade war and tariff dispute; (2) expansion of warehouse space as to streamline the logistic functions of the Group resulting in an increase in warehouse rental expenses; (3) increase in operating expenses as compared to the year ended 31 December 2017 due to the increase in selling expenses and professional and compliance services fee subsequent to the listing of the Company on the Stock Exchange.

As the Company is still in the process of finalizing the Group’s annual results for the Financial Year 2018, the information contained in this announcement is only based on a preliminary assessment by the Board in accordance with the information currently available and the latest unaudited consolidated management accounts of the Group, which are subject to further adjustments and are not based on any figures or information that have been reviewed or audited by the Company’s auditors.

Shareholders and potential investors of the Company are advised to read carefully the annual results announcement of the Group for the Financial Year 2018 which is expected to be published in March 2019.

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

By Order of the Board
Vertical International Holdings Limited
Boon Ho Yin Henry
Chairman

Hong Kong, 19 February 2019

As at the date of this announcement, the executive directors of the Company are Mr. Boon Ho Yin Henry and Ms. Chow Cheung Chu; and the independent non-executive directors of the Company are Mr. Liu Kwan, Mr. Chik Kin Man Paul and Mr. Wong Wai Leung.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.verticaltech.com.cn.