

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)

**DISCLOSEABLE TRANSACTION –
ACQUISITION OF PROPERTY**

The Board wishes to announce that after trading hours on 22 September 2016, the Purchaser, a wholly owned subsidiary of the Company incorporated in Hong Kong, entered into the Provisional Agreement with the Vendors to acquire the Property at a consideration of HK\$79,225,000. It is expected that the Acquisition will complete on or before 23 November 2016.

As the applicable percentage ratios (within the meaning of the Listing Rules) for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to reporting and announcement requirements.

DISCLOSEABLE TRANSACTION

The board (“**Board**”) of directors (“**Directors**”) of Veeko International Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that after trading hours on 22 September 2016, Colourmix International Holdings Limited (“**Purchaser**”), a wholly owned subsidiary of the Company incorporated in Hong Kong, entered into a provisional sale and purchase agreement (“**Provisional Agreement**”) with four individuals who are independent third parties (collectively “**Vendors**”) to acquire the whole of ground floor of No. 86 San Hong Street North New Territories, Hong Kong (“**Property**”) at a consideration of HK\$79,225,000 (“**Acquisition**”). The Property shall be sold to the Purchaser on an “as is” basis and subject to existing tenancy. The principal terms of the Provisional Agreement are set out below.

Provisional Agreement

Date	:	22 September 2016
Parties	:	The Vendors, as vendors The Purchaser, as purchaser
Subject matter	:	The whole of ground floor of No. 86 San Hong Street North New Territories, Hong Kong
Consideration	:	HK\$79,225,000
Stamp duty	:	All stamp duty shall be borne by the Purchaser

The price payable by the Purchaser (“**Property Purchase Price**”) was determined after arm’s length negotiations between the Vendors and the Purchaser on normal commercial terms with reference to the market value of similar properties in similar locations. No formal valuation has been conducted in respect of the Property at the time of entering into of the Provisional Agreement. The Directors, including the independent non-executive Directors, consider that the Property Purchase Price is fair and reasonable.

The Property Purchase Price is payable by the Purchaser in cash in the following manner:

- (1) HK\$4,000,000 was paid to the Vendors upon signing of the Provisional Agreement as deposit;
- (2) HK\$4,125,000 is to be paid on or before 29 September 2016 as further deposit; and
- (3) the remaining balance of HK\$71,100,000 to be paid upon completion of the Acquisition, which is expected to take place on or before 23 November 2016.

Property Purchase Price

It is expected that the Property Purchase Price will be financed by a combination of internal resources of the Group and bank borrowings.

Formal agreement

Formal sale and purchase agreement for the Provisional Agreement is expected to be signed by the Vendors and the Purchaser on 29 September 2016.

Completion

Completion of the Acquisition will take place on or before 23 November 2016.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors are third parties independent of the Company and connected persons (as defined in the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange")) of the Company. The Company does not have any transactions with the Vendors completed within 12 months prior to the Acquisition.

Existing tenancy arrangement

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, based on the information provided by the Vendors as at the date of this announcement, the Property is currently leased by the Vendors to a tenant, while such tenant being an independent third party. Details of the existing tenancy arrangement regarding the Property are set out below:

	Rental	Current term of tenancy
The Property	Approximately HK\$92,000 per month (exclusive of government rates but inclusive of government rent)	From 28 November 2013 up to 27 November 2016

Based on the current information available to the Company in respect of the rental to the Property, the net rental income which the Group would have generated from the Property before and after taxation would be approximately HK\$1,100,000 and HK\$900,000 respectively for the two years ended 31 March 2016.

INFORMATION ON THE GROUP AND REASONS FOR THE ACQUISITION

The Group is principally engaged in the manufacture and retail of ladies' apparel under the Group's two own brand names, namely, *Wanko* and *Veeko* and the retailing of cosmetics and skin care products at its cosmetics chain stores *Colourmix and MORIMOR*.

It is intended that the Property would be used for investment purposes by leasing out for rental income. Upon the expiry of the existing tenancy agreement, the Group shall evaluate the benefit of continuing leasing of the Property against the benefit of using the Property as the Group's store.

The Board (including the independent non-executive Directors) is of the view that the entering into of the Provisional Agreement is on normal commercial terms and the terms of the Provisional Agreement are fair and reasonable and in the interests of the shareholders of the Company and the Company as a whole. The Directors consider that the Acquisition represents a good investment opportunity for the Group. The Board was informed that Mr. Cheng Chung Man, Johnny, the Chairman of the Board, through a company, which is owned by him and his family members, entered into another provisional sale and purchase agreement with the Vendors to acquire a property which is adjacent to the Property on the same date.

GENERAL

As the applicable percentage ratios (within the meaning of the Listing Rules) for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to reporting and announcement requirements.

On behalf of the Board of
Veeko International Holdings Limited
Cheng Chung Man, Johnny
Chairman

Hong Kong, 23 September 2016

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, and three independent non-executive Directors, namely, Dr. Fok Kam Chu, John, Mr. Lam Man Tin and Mr. Yeung Wing Kay.