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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)

**VOLUNTARY ANNOUNCEMENT –  
EFFECT OF NOVEL CORONAVIRUS (COVID-19) EPIDEMIC ON  
BUSINESS OPERATIONS**

This announcement is made by Veeko International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), on a voluntary basis.

In light of the significant decrease in the number of visitors to Hong Kong and the reduction in commuting of local residents since the outbreak of the novel coronavirus (COVID-19) epidemic (the “**Epidemic**”) in January 2020, the retail industry has borne the brunt which has directly affected the Group’s turnover and results, and it is expected that the Group’s losses for the year ending 31 March 2020 will further increase. Moreover, in order to ensure the health and safety of its staff and customers, the Group has suspended the operation of certain stores. The management will continue to monitor the development of the Epidemic and relevant government policies, and make further decisions on the resumption of operations in due course. The Group is closely monitoring the market conditions, strengthening cost reduction and making timely adjustments in its strategies. As the first step of cost reduction measures, the remuneration of all executive directors of the Company will be reduced by 60% for a period of three months with effect from 1 February 2020.

Since the outbreak of the Epidemic, there has been a severe lack of anti-epidemic products, especially surgical masks. In view of that, the Group will use its own existing plant to set up mask production lines. As at this moment, it has entered into a sale and purchase agreement for acquiring two fully automatic mask production machines, and is in negotiation for relevant additional fully automatic machineries. Meanwhile, the Group has also been actively planning the deployment of resources to renovate part of its existing production plant into high-grade dust-free contamination-free cleanroom facilities, procure raw materials, and handle the required procedures. Notwithstanding any unforeseen circumstances, it is expected that the mask production lines can be in operation by March 2020, which may help alleviate the mask shortage to a certain extent. In view of the impact of the Epidemic on all aspects, the Group believes that protection of health is of paramount importance, and hygiene and epidemic prevention products are basic public needs. Therefore, in addition to garment production, production of other anti-epidemic products will be actively explored and researched on in the future as the Group’s long-term strategy.

The board of directors of the Company will continue to assess the impact of the Epidemic on the operation and financial performance of the Group, while closely monitoring the development of the Epidemic and the risks and uncertainties faced by the Group as a result of the Epidemic. The Company will take appropriate action(s) as necessary and make further announcement(s) as and when appropriate.

**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  
**Veeko International Holdings Limited**  
**Cheng Chung Man, Johnny**  
*Chairman*

Hong Kong, 12 February 2020

*As at the date of this announcement, the board of directors 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.*