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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)

INSIDE INFORMATION – EXPECTED DECREASE IN LOSS

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 of directors of the Company (the “**Board**”) 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 six months ended 30 September 2022 (the “**2022 Interim Period**”) and the information currently available, the Group is expected to record a loss ranging from approximately HK\$700,000 to HK\$1,500,000 for the 2022 Interim Period, as compared to a loss of approximately HK\$22,320,000 recorded for the same period last year.

During the 2022 Interim Period, despite the decrease in the Group's revenue as compared to that for the same period last year as a result of the continuous impact of the pandemic, there was an improvement in the financial performance of each of the Group's segments. The loss recorded for the cosmetics segment significantly decreased, as compared with that for the same period last year, while the financial performance of the fashion segment turned around from loss-making to profit-making during the 2022 Interim Period. Such improvement was mainly due to (i) improvement in the gross profit margin of the cosmetics segment; (ii) decrease in selling and distribution costs for both segments; and (iii) increase in other income, in particular the allowances and subsidies related to COVID-19 epidemic received from governments and the exchange gain. Although a decrease in fair value of investment properties is expected to be recorded for the 2022 Interim Period, instead of an increase in fair value of investment properties for the same period last year, the Group is expected to record significantly less loss for the 2022 Interim Period, as compared to that for the same period last year, mainly due to the reasons set out above. The Group will continue to focus on its business and take a number of contingency measures, which include but not limited to, continuing to negotiate with landlords for rent reduction, proactively lowering inventory levels, and stringently controlling costs and expenditures, and hope to break even as soon as possible.

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 2022 Interim Period and the information currently available. The Group's interim results are subject to review by the Board, and the audit committee of the Board. Therefore, the actual results of the Group for the 2022 Interim Period may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the details in the interim results announcement of the Company for the 2022 Interim Period, which is to be released not later than 30 November 2022.

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, 9 November 2022

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 Mr. Yeung Wing Kay.