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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 year ended 31 March 2022 (the “**Year**”) and the information currently available, the Group is expected to record a loss ranging from approximately HK\$48,000,000 to HK\$65,000,000 for the Year, as compared to a loss of approximately HK\$185,000,000 recorded for the year ended 31 March 2021 (the “**Previous Year**”). The loss for the Previous Year included the subsidies of approximately HK\$43,000,000 received from the governments, whereas the Group did not receive any related subsidies during the Year.

During the Year, both cosmetics and fashion segments of the Group recorded a decrease in loss as compared with that of the Previous Year, which was mainly due to (i) improvement in gross profit margin of the fashion segment; (ii) decrease in selling and distribution costs for both segments; and (iii) decrease in impairment of right-of-use assets for both segments. Moreover, an increase in fair value of investment properties is expected to be recorded for the Year, instead of a decrease in fair value of investment properties of approximately HK\$29,000,000 for the Previous Year. 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 reach breakeven 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 Year and the information currently available, and such information has not been audited or reviewed by the Company's independent auditor. The Group's results are subject to review by the Board, and the audit committee of the Board. Therefore, the actual results of the Group for the Year may differ from the information contained in this announcement. Shareholders and potential investors are advised to refer to the details in the annual results announcement of the Company for the Year, which is to be released not later than 30 June 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, 26 May 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.