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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Veeko International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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)

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of Veeko International Holdings Limited (the "Company") to be held at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong on 20th September, 2005 at 10:30 a.m. at which the above proposals will be considered is set out in Appendix II to this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

28th July, 2005

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LETTER FROM THE BOARD

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**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)

*Executive Directors:*

Cheng Chung Man, Johnny  
Lam Yuk Sum

*Independent Non-Executive Directors:*

Cheng Chung Hoo  
Yang Wei Tak  
Yeung Wing Kay (appointed on 17th September, 2004)

*Registered Office:*

Century Yard, Cricket Square  
Hutchins Drive, P.O. Box 2681 GT  
George Town, Grand Cayman  
British West Indies

*Principal Place of Business  
in Hong Kong:*

10th Floor, Wyler Centre Phase II  
192-200 Tai Lin Pai Road  
Kwai Chung, New Territories  
Hong Kong

28th July, 2005

*To the shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2005 Annual General Meeting of the Company to be held on 20th September, 2005 (the “AGM”), as required by the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These include i) ordinary resolutions relating to the granting to the directors of the Company (the “Directors”) general mandates for the repurchase of the Company’s shares of HK\$0.01 each (the “Shares”) and the issue of its Shares; and ii) ordinary resolutions relating to the re-election of the retiring directors.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Repurchase Mandate”).

### GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to issue, allot and deal with Shares up to a maximum of 20 per cent of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Issue Mandate”).

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the shareholders of the Company (the “Shareholders”) in a general meeting held prior to the next annual general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

### RE-ELECTION OF RETIRING DIRECTORS

In relation to item 3 as set out in the notice of the AGM, Mr. Yang Wei Tak and Mr. Yeung Wing Kay will retire from office as Independent Non-Executive Directors at the AGM pursuant to Article 108 and Article 112 of the Articles of Association of the Company (the “Articles”) respectively. Both directors, being eligible, will offer themselves for re-election at the AGM pursuant to the Articles.

Details of the retiring directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix III to this circular.

### NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix II to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the Company’s Share Registrar in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

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## LETTER FROM THE BOARD

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### PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 72 of the Articles, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by: –

- (a) the Chairman of the meeting; or
- (b) at least three shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (d) any shareholder or shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares and the re-election of the retiring directors are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Veeko International Holdings Limited**  
**Cheng Chung Man, Johnny**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at 19th July, 2005 being the latest practicable date prior to the printing of this circular (the “Latest Practicable Date”), there was a total of 1,656,000,000 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 165,600,000 Shares.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company’s memorandum and articles of association and the applicable laws of the Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st March, 2005) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

#### 4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date: –

Month	Share Prices Per Share	
	Highest	Lowest
	HK\$	HK\$
<b>2004</b>		
July	0.295	0.208
August	0.275	0.230
September	0.310	0.243
October	0.285	0.245
November	0.370	0.270
December	0.485	0.350
<b>2005</b>		
January	0.450	0.380
February	0.470	0.425
March	0.445	0.395
April	0.430	0.380
May	0.390	0.290
June	0.345	0.285
July (up to 19th July, 2005)	0.360	0.300

#### 5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

The Company has not been notified by any connected person (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a Shareholder, or a group of

Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Silver Crown Profits Limited held 994,044,180 shares representing 60.03 per cent of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Silver Crown Profits Limited in the Company would be increased to approximately 66.7 per cent of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code nor reduce the amount of Shares held by the public to less than 25 per cent.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date.

# 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)

### NOTICE OF 2005 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2005 Annual General Meeting (the “Meeting”) of Veeko International Holdings Limited (the “Company”) will be held at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong on Tuesday, 20th September, 2005 at 10:30 a.m. for the following purposes: –

1. To consider and adopt the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2005.
2. To declare a final dividend for the year ended 31st March, 2005.
3. To re-elect the retiring directors and to authorise the Board of Directors to fix the directors’ remuneration.
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.
5. To consider and if thought fit, pass, with or without amendments, the following resolutions as Ordinary Resolutions: –

A. **“THAT**

- (a) subject to paragraph A(b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “Securities and Futures Commission”) and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the rules and regulations of the Securities and Futures Commission and the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved and authorised;
- (b) the aggregate nominal amount of the share capital of the Company to be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph A(a) above during the Relevant Period shall not exceed 10% of



the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the approval pursuant to paragraph A(a) shall be limited accordingly; and

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”

**B. “THAT**

- (a) subject to paragraph B(b) below, a general mandate be and is hereby unconditionally given to the directors of the Company (the “Directors”) to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to issue, allot and deal with the unissued shares in the capital of the Company (or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares), and to make and grant offers, agreements and options which would or might require the exercise of such powers, whether during the continuance of the Relevant Period or thereafter;
- (b) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted or dealt with pursuant to the approval in paragraph B(a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly: –
  - (i) a rights issue where shares are offered for a period fixed by the Directors to shareholders on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or stock exchange in Hong Kong, or in any territory applicable to the Company);
  - (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted, as varied from time to time, for the grant or issue or rights to acquire shares of the Company;

- (iii) any issue of shares in the Company upon the exercise of rights of conversion or under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company; or
  - (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the articles of association of the Company; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”
- C. **“THAT** conditional upon Resolutions A and B being passed, the general mandate granted to the directors of the Company pursuant to Resolution B to exercise the powers of the Company to issue, allot and deal with unissued shares in the capital of the Company be and is hereby extended by the addition thereto the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution A, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”

By order of the Board  
**Veeko International Holdings Limited**  
**Wong Chi Ying**  
*Company Secretary*

Hong Kong  
28th July, 2005

*Notes:*

- (1) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) In order to be valid, the form of proxy together with the power of attorney, or other authority, if any, under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's Share Registrar in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or adjournment thereof.
- (3) The register of members of the Company will be closed from Wednesday, 14th September, 2005 to Tuesday, 20th September, 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 13th September, 2005.
- (4) The directors of the Company as at the date of this notice are Mr. Cheng Chung Man, Johnny and Ms. Lam Yuk Sum being the Executive Directors and Messrs. Cheng Chung Hoo, Yang Wei Tak and Yeung Wing Kay being the Independent Non-Executive Directors.

Please also refer to the published version of this announcement in the South China Morning Post.

**Mr. Yeung Wing Kay**, aged 53, was appointed as an independent non-executive director of the Company on 17th September, 2004. He is a Certified Public Accountant (Practising) and has been a partner of Yeung & Cheuk, a firm of Certified Public Accountants in Hong Kong for 12 years. He graduated from the Chinese University of Hong Kong with a degree of Bachelor of Social Sciences. Apart from his directorship with the Company, Mr. Yeung did not hold any other directorship in companies listed on the Stock Exchange for the past three years.

Mr. Yeung has no relationship with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company nor has any interest within the meaning of Part XV of the Securities and Futures Ordinance in the Shares of the Company. Mr. Yeung has signed an appointment letter with the Company for an initial term of two years commencing from 17th September, 2004 renewable automatically for successive term of one year. Mr. Yeung is entitled to an annual director's fee of HK\$100,000 as determined by the board on the basis of prevailing market rate with reference to his experiences and duties.

Apart from the above, there is no other matter that needs to be brought to the attention of Shareholders.

**Mr. Yang Wei Tak**, aged 75, was appointed as an independent non-executive director of the Company on 1st November, 1999. He has over 40 years of experience in international trading and has been a managing director of an import and export company, a private company for more than 30 years. Apart from his directorship with the Company, Mr. Yang did not hold any other directorship in companies listed on the Stock Exchange for the past three years.

Mr. Yang has no relationship with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company nor has any interest within the meaning of Part XV of the Securities and Futures Ordinance in the Shares of the Company. Mr. Yang has signed an appointment letter with the Company for a term of two years commencing from 1st November, 1999 and another appointment letter for a term of four years commencing from 1st November, 2001. The director's fee of Mr. Yang is not specified in the appointment letter but determined by the board of directors on his experiences and duties and with reference to the market rate of a similar position and the total director's fee paid to him for the year ended 31st March, 2005 amounted to HK\$80,000.

Apart from the above, there is no other matter that needs to be brought to the attention of Shareholders.