
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, 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 together with the accompanying form of election to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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)

Executive Directors:

Mr. Cheng Chung Man, Johnny (*Chairman*)
Ms. Lam Yuk Sum (*Chief Executive Officer*)

Independent non-executive Directors:

Dr. Fok Kam Chu, John
Mr. Yang Wei Tak
Mr. Yeung Wing Kay

Registered office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

27 September 2013

To the shareholders of the Company (“Shareholders”)

Dear Sirs,

SCRIP DIVIDEND SCHEME

INTRODUCTION

By the announcement of the Company dated 25 June 2013, the board of directors (“**Directors**”) of Veeko International Holdings Limited (“**Company**”, which together with its subsidiaries, the “**Group**”) announced the final results of the Group for the year ended 31 March 2013 and recommended, among other matters, the payment of a final dividend (“**Final Dividend**”) of HK0.9 cent per share (each a “**Share**”) of HK\$0.01 each in the share capital of the Company by way of cash with an option to elect to receive wholly or partly an allotment and issue of new Shares (“**Scrip Shares**”), credited as fully paid, in lieu of cash payment (“**Scrip Dividend Scheme**”). The Final Dividend is payable to the Shareholders (“**Qualifying Shareholders**”) whose names appeared on the register of members of the Company on 11 September 2013 (“**Record Date**”).

At the annual general meeting of the Company held on 30 August 2013, the Final Dividend and the Scrip Dividend Scheme were approved by the Shareholders.

SCRIP DIVIDEND SCHEME

Particulars of the Scrip Dividend Scheme

Under the Scrip Dividend Scheme, each Qualifying Shareholder has an option to elect to receive the Final Dividend:

- (a) by way of cash payment; or
- (b) by way of an allotment and issue of the Scrip Shares; or
- (c) by way of a combination of partly in (a) and partly in (b) above.

The number of Scrip Shares to be allotted and issued to a Qualifying Shareholder who elects either (b) or (c) above will be calculated with reference to the amount arrived at by dividing the total amount of the Final Dividend which he/she/it elects to be made payable to him/her/it by way of Scrip Shares by the average closing price of the Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for the five consecutive trading days ended 11 September 2013 less a discount of ten per cent. of such average closing price.

The Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the Final Dividend. In particular, they will rank in full for all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Scrip Shares.

Basis of allotment and issue of Scrip Shares

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price per Scrip Share has been fixed by the Directors at HK\$0.1935 per Share after taking into account a ten per cent. discount to HK\$0.2150, being the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended 11 September 2013.

Accordingly, the number of Scrip Shares which each Qualifying Shareholder is entitled to receive under the Scrip Dividend Scheme in respect of the Shares registered under their names on the Record Date will be calculated by the following formula:

$$\begin{array}{rcl} \text{Number of Scrip} & & \text{Number of Shares held on the} \\ \text{Shares to be} & & \text{Record Date for which the Final} \\ \text{received} & = & \text{Dividend is to be satisfied in} & \times & \text{HK\$0.009 (Final Dividend} \\ & & \text{Scrip Shares} & & \text{per Share)} \\ & & & & \hline & & & & \text{HK\$0.1935 (Discounted} \\ & & & & \text{Average Closing Price)} \end{array}$$

If all Shareholders elect to receive the Final Dividend in Scrip Shares, based on 2,220,947,641 Shares in issue as at the close of business on the Record Date, the maximum number of Scrip Shares which may fall to be issued under the Scrip Dividend Scheme will be 103,299,890 Shares, representing approximately 4.65% of the existing issued share capital of the Company and approximately 4.44% of the issued share capital of the Company as enlarged by the issue of the Scrip Shares.

For the purpose of reference only, Qualifying Shareholders who elect to receive Scrip Shares will receive such number of Scrip Shares (rounded down to the nearest whole number) and no Qualifying Shareholders is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fractional entitlements to the Scrip Share will be aggregated and sold for the benefit of the Company.

Advantages of the Scrip Dividend Scheme

In arriving at the decision to recommend to the Qualifying Shareholders the Scrip Dividend Scheme, the Directors consider that, while the Company should declare the Final Dividend, the retention of cash, which would otherwise have been paid to the Qualifying Shareholders as cash dividend, within the Group would enhance the continuous growth, maintain the financial stability and reduce the financing costs of the Group. In addition, the Scrip Dividend Scheme will give the Qualifying Shareholders who wish to further invest in the Company the opportunity to increase their equity investment in the Company without incurring brokerage fees, stamp duty and related costs of dealings.

The form of election

Enclosed with this circular is a form of election. No action is required if you wish to receive the Final Dividend to which you are entitled wholly in cash.

If you wish to elect to receive the Final Dividend either wholly or partly in Scrip Shares, you must complete the form of election in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, **Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 10 October 2013**. No acknowledgement of receipt of the form of election will be issued.

Please note that if you sign the form of election but do not specify the number of Shares in respect of which you wish to receive your Final Dividend in Scrip Shares or, if you elect for payment of the Final Dividend in Scrip Shares in respect of a greater number of Shares than your registered holding of Shares, then in either case you will be deemed to have exercised your election for Scrip Shares in lieu of cash in respect of all the Shares registered in your name.

If you do not complete and return the form of election before the time and in the manner stated above, you will receive the whole of your Final Dividend in cash.

Qualifying Shareholders

As at the Record Date, there was one Shareholder with registered address in the Philippines as appeared on the register of members of the Company. The Board has made enquiries with its legal advisers as to the laws of the Philippines as to whether there is any legal restriction under the applicable securities legislation of the Philippines or requirement of any relevant regulatory body or stock exchange with respect to the offer of Scrip Shares to such Shareholder, in the Philippines. The Company has been advised by its legal advisers as to the Philippines laws that there is no legal restriction under the applicable legislation of the Philippines or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Scrip Shares to such Shareholder in the Philippines. Based on the advice of the Company's legal advisers as to the Philippines laws, the Directors believe that the documents regarding the Scrip Dividend Scheme would not be required to be registered under the relevant laws and regulations of the Philippines and may be despatched to such Shareholder with registered address in

the Philippines without any restrictions. In view of this, the Directors have decided to extend the offer of the Scrip Shares to such Shareholder with registered address in the Philippines and accordingly, all Shareholders whose names appear on the register of members of the Company on the Record Date fall within the definition of Qualifying Shareholders and are therefore eligible to participate in the Scrip Dividend Scheme.

Shareholder(s) having a registered address in the Philippines should note that exemption from registration of the Scrip Shares is claimed under Section 10.1(d) of the Philippine Securities Regulation Code. No confirmation has been obtained from the Philippine Securities and Exchange Commission that the Scrip Dividend Scheme qualifies as an exempt transaction. **THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Listing of the Scrip Shares and despatch of certificates of the Scrip Shares

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. No part of the Company's securities is listed or dealt in on any other stock exchange and no such listing or permission to deal is being, or is proposed to be sought.

It is expected that certificates for the Scrip Shares will be posted to the Qualifying Shareholders at their own risk on or about 23 October 2013. On this basis, dealings in the Scrip Shares are expected to commence on or about 24 October 2013.

Recommendation and advice

Whether or not it is to your advantage to receive the Final Dividend wholly in cash or in Scrip Shares or partly in cash and partly in Scrip Shares depends upon your own individual circumstances and on the movement of the Company's share price in the market. The decision in this regard and all consequences resulting therefrom are the sole responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your own professional adviser. This applies particularly to the Qualifying Shareholders who are trustees, who are recommended to seek professional advice as to whether they have the powers to make any relevant election and as to the effect of the election having regard to the terms of the relevant trust instrument.

Disclosure of interests

Qualifying Shareholders should note that an acquisition of Scrip Shares under the Scrip Dividend Scheme may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Qualifying Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

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