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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)

SCRIP DIVIDEND SCHEME

On 29 November 2011, the Directors announced the interim results of the Group for the six months ended 30 September 2011 and resolved to declare an Interim Dividend of HK0.60 cent per Share. The Interim Dividend is payable to all shareholders of the Company and the Qualifying Shareholders may elect to receive wholly or partly an allotment and issue of Scrip Shares, credited as fully paid, in lieu of cash payment of the Interim Dividend.

SCRIP DIVIDEND SCHEME

On 29 November 2011, the board (“**Board**”) of directors (“**Directors**”) of Veeko International Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) announced the interim results of the Group for the six months ended 30 September 2011 and resolved to declare an interim dividend (“**Interim Dividend**”) of HK0.60 cent per share (each a “**Share**”) of HK\$0.01 each in the share capital of the Company. The Interim Dividend is payable to all shareholders (“**Shareholders**”) of the Company and the shareholders (“**Qualifying Shareholders**”) of the Company whose names appeared on the register of members of the Company on 23 December 2011 (“**Record Date**”) may elect to receive wholly or partly an allotment and issue of new Shares (“**Scrip Shares**”), credited as fully paid, in lieu of cash payment of the Interim Dividend (“**Scrip Dividend Scheme**”).

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

- (a) in cash payment of HK0.60 cent per Share; or
- (b) by way of an allotment and issue of Scrip Shares; or

(c) by way of a combination of (a) and (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 by dividing the total amount of the Interim Dividend which he/she/it elects to be made payable to him/her/it by way of Scrip Shares by the average of the closing prices of the Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) for the five consecutive trading days ended 23 December 2011 less a discount of ten per cent. of such average 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 Interim 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.

For the purpose of calculating the number of Scrip Shares to be allotted and issued, the value of Scrip Shares has been fixed by the Directors at HK\$0.19602 per Share, having taken into account a ten per cent. discount to HK\$0.2178, being the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ended 23 December 2011.

The number of Scrip Shares to be allotted and issued will be rounded down to the nearest whole number of Scrip Shares and no Qualifying Shareholder is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fractional entitlements to the Scrip Shares will be aggregated and sold for the benefit of the Company.

As at the Record Date, there was one Shareholder with its registered address in each of Taiwan and the Philippines respectively 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 relevant places as to whether there is any legal restriction under the applicable securities legislation of the relevant places or requirement of any relevant regulatory body or stock exchange with respect to the offer of Scrip Shares to such Shareholder, in the relevant places. The Company has been advised by its legal advisers as to Taiwan and Philippines laws that there is no legal restriction under the applicable legislation of the relevant places or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Scrip Shares to the Shareholders in the relevant places. Based on the advice of the Company’s legal advisers as to Taiwan and 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 relevant places and may be despatched to the Shareholders with registered addresses in the relevant places without any restrictions. In view of this, the Directors have decided to extend the offer of the Scrip Shares to the Shareholders with registered addresses in Taiwan and 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.

Qualifying Shareholders who wish to receive an allotment and issue of the Scrip Shares in whole or partly in cash and partly in Scrip Shares should complete the form of election and lodge the same with the Company's share registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong **not later than 4:30 p.m. on 20 January 2012.**

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. Subject to the Scrip Shares being admitted to listing, it is expected that certificates for the Scrip Shares and dividend cheques will be posted at the risk of those entitled thereto on or about 9 February 2012. On this basis, dealings in the Scrip Shares are expected to commence on or about 13 February 2012.

A circular containing further details of the Scrip Dividend Scheme and the basis of allotment and issue of the Scrip Shares pursuant to the Scrip Dividend Scheme together with the form of election will be despatched to the Qualifying Shareholders shortly.

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 and three independent non-executive Directors, namely, Mr. Fok Kam Chu, John, Mr. Yang Wei Tak and Mr. Yeung Wing Kay.

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

Hong Kong, 5 January 2012