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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, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Veeko International Holdings Limited 威高國際控股有限公司, you should at once hand this circular and the accompanying form of proxy and annual report 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.

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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, PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE NEW SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the 2013 Annual General Meeting of Veeko International Holdings Limited 威高國際控股有限公司 (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 Friday, 30 August 2013 at 10:30 a.m. at which the above proposals will be considered is set out on pages 26 to 30 of this circular.

A form of proxy for the 2013 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 stated thereon and return it to the Company’s share registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, as soon as possible but in any event not later than 10:30 a.m. on Wednesday, 28 August 2013. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

19 July 2013

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Adoption Date”	the date on which the adoption of the New Share Option Scheme is approved by the Shareholders
“AGM”	the 2013 Annual General Meeting of the Company
“Articles”	the existing articles of association of the Company
“Associate”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Veeko International Holdings Limited 威高國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Employee”	any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity
“Eligible Participant(s)”	the person(s) who may be invited by the Directors to take up Options pursuant to the New Share Option Scheme, including, among others, any Eligible Employee
“Existing Share Option Scheme”	the Company’s existing share option scheme adopted on 17 September 2003
“Grantee”	any Eligible Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) his personal representative
“Group”	the Company and its Subsidiaries

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to issue, allot and deal with unissued Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution
“Latest Practicable Date”	16 July 2013 being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in the Appendix to this circular
“Offer”	an offer for the grant of an Option
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Eligible Participant
“Option(s)”	option(s) to subscribe for the Shares granted pursuant to the New Share Option Scheme
“Option Period”	in respect of any particular Option, a period (which may not be later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses; and (ii) 10 years from the Offer Date of that Option
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange, or any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution
“Scrip Dividend Scheme”	the declaration of a final dividend for the year ended 31 March 2013 of HK0.9 cent per Share by way of cash with an option to elect to receive wholly or partly on allotment and issue of Shares credited as fully paid in lieu of cash payment

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Subsidiary(ies)”	the companies which are for the time being and from time to time the subsidiaries (within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) of the Company
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission
“Termination Date”	close of business of the Company on the date which falls 10 years after the Adoption Date
“%”	per cent.
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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LETTER FROM THE BOARD

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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)

*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

19 July 2013

*To the Shareholders*

Dear Sir/Madam,

**SCRIP DIVIDEND SCHEME, PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE NEW SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to be held on Friday, 30 August 2013. These include ordinary resolutions relating to (i) the Scrip Dividend Scheme; (ii) the granting to the Directors the Repurchase Mandate and the Issue Mandate; (iii) the re-election of each of the retiring Directors; and (iv) the adoption of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### SCRIP DIVIDEND SCHEME

By way of announcement of results for the year ended 31 March 2013 of the Company dated 25 June 2013, the Directors announced that they had resolved to recommend the payment of a final dividend of HK0.9 cent per Share for the year ended 31 March 2013 to the Shareholders whose names appear on the register of members of the Company on 11 September 2013 (“**Record Date**”) and also to recommend the Scrip Dividend Scheme to the Shareholders whose registered address are in Hong Kong as shown on the register of members of the Company on the Record Date, other than Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are outside Hong Kong (if any) to whom the Directors, based on legal advice provided by legal advisers and on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient to exclude such Shareholder(s) from the Scrip Dividend Scheme (“**Qualifying Shareholders**”), subject to the approval of the Shareholders on the payment of final dividend by way of Scrip Dividend Scheme at the AGM and the granting by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the Scrip Dividend Scheme (“**Scrip Shares**”).

In arriving at the decision to recommend the Scrip Dividend Scheme to the Shareholders, the Directors consider that while the Company should declare a final dividend for the financial year ended 31 March 2013, the retention of cash, which would otherwise have been paid to the Shareholders as a cash dividend, within the Group would enhance the continuous growth, maintain the financial stability and reduce the financing costs of the Group. On the other hand, the Scrip Dividend Scheme will give those Qualifying Shareholders who wish to further invest in the Company the opportunity to increase their equity investment in the Company.

Qualifying Shareholders are entitled to elect to have the final dividend to be made payable to them wholly in cash or in Shares or partly in cash and in Shares. Shareholders whose registered addresses are outside Hong Kong as shown in the register of members of the Company on the Record Date (if any) may not be permitted to participate in the Scrip Dividend Scheme if the Directors consider that the circulation of an offer of such to such Shareholders would or might be unlawful or impracticable and accordingly no form of election will be sent to such Shareholders and they will receive the final dividend wholly in cash. As at the Latest Practicable Date, there was one Shareholder with registered address in the Philippines as appeared on the register of members of the Company. Should this Shareholder or any other Shareholders with registered addresses outside Hong Kong are shown in the register of members of the Company on the Record Date, the Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange for considering whether to exclude such Shareholder from the Scrip Dividend Scheme and it may only exclude such Shareholder on the basis that, having made such enquiry, it would be necessary or expedient to do so.

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## LETTER FROM THE BOARD

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For the purpose of calculating the number of Scrip Shares, the value of the Scrip Shares will be fixed by the Board at its discretion with reference to the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ending on (and including) the Record Date less a discount of 10% of such average price or the par value of Shares, whichever is the higher. The number of Scrip Shares to be 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 Scrip Shares will be aggregated and sold for the benefit of the Company.

The Scrip Shares will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of Scrip Shares save that they will not be entitled to the final dividend for the year ended 31 March 2013.

On the condition that the payment of the above final dividend by way of the Scrip Dividend Scheme is approved by the Shareholders at the AGM, an announcement in relation to the basis of allotment of the Scrip Shares will be published on the next business day after the AGM and a circular containing details of the Scrip Dividend Scheme, together with a form of election (to the Qualifying Shareholders only), will be despatched to the Shareholders shortly after the AGM.

Subject to the passing of the resolution concerned at the AGM, application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares.

No part of the Scrip Shares will be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

In order to ascertain the entitlements to the final dividend for the year ended 31 March 2013, the register of members of the Company will be closed from 9 September 2013 to 11 September 2013 (both days inclusive) during which period no transfer of Shares will be registered.

The last day for dealing in Shares cum entitlements to the proposed final dividend for the year ended 31 March 2013 will be 4 September 2013. Shareholders are reminded that in order to qualify for the proposed final dividend for the year ended 31 March 2013, all transfers of Shares accompanied by the relevant share certificate and transfer forms must be lodged with the Company's share registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30p.m. on 6 September 2013.

Subject to the approval by the Shareholders of the Scrip Dividend Scheme at the AGM and the grant by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Scrip Shares on the Stock Exchange, the share certificates for the Scrip Shares are expected to be despatched on or around 23 October 2013.

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



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## **LETTER FROM THE BOARD**

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### **THE REPURCHASE MANDATE**

At the AGM, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate to exercise all powers of the Company to repurchase on 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% of the issued share capital of the Company as at the date of passing of the relevant resolution.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate 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 resolution at the AGM.

### **THE ISSUE MANDATE**

An ordinary resolution will also be proposed at the AGM that the Directors be granted the Issue Mandate to issue, allot and deal with unissued Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, there was a total of 2,220,647,641 Shares in issue. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue up to a maximum of 444,129,528 Shares.

In addition, an ordinary resolution will further 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 they are renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next annual general meeting of the Company.

### **RE-ELECTION OF RETIRING DIRECTORS**

In relation to items 3 to 5 in the notice of the AGM, Ms. Lam Yuk Sum, Dr. Fok Kam Chu, John and Mr. Yeung Wing Kay shall retire from office as Directors at the AGM and, being eligible, offer themselves for re-election pursuant to article 108 of the Articles.

Biographical details of the above retiring Directors proposed for re-election at the AGM, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### **ADOPTION OF NEW SHARE OPTION SCHEME**

The Directors proposed to adopt the New Share Option Scheme, the principal terms of which are set out in the Appendix III to this circular. The Existing Share Option Scheme was adopted by the Company on 17 September 2003 and will expire on 16 September 2013. Pursuant to the Existing Share Option Scheme, unless otherwise determined by the Directors and stated in the offer for the grant of options to grantees, there is no minimum period required under the Existing Share Option Scheme for the holding of an option before it can be exercised. Therefore, after the expiration of the Existing Share Option Scheme, unless otherwise determined by the Directors and stated in the offer for the grant of options to grantees, outstanding share options granted under the Existing Share Option Scheme would still be valid and exercisable. The Directors considered that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with more flexibility in long term planning of granting of the share options to eligible persons in a longer period in the future. Unless otherwise determined by the Directors and stated in the Offer to a Grantee, the New Share Option Scheme does not provide for any minimum period for holding of options or any performance target before exercise of options which can provide appropriate incentives or rewards to the Eligible Participants for their contribution to the Group. Under the New Share Option Scheme, the Board will have discretion in determining the Subscription Price (subject to the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Directors to determine the Subscription Price will place the Group in a better position to reward its employees and retain human resources that are valuable to the growth and development of the Group as a whole.

### **Value of the Options**

The Directors consider that it is not appropriate to state the value of the Options that may be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to a certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for assessing the value of the Options which have not been determined. Such variables include the Subscription Price, the Option Period and all other relevant variables.

### **Scheme mandate limit and maximum number of Shares issuable**

Subject to obtaining of the Shareholders' approval of the adoption of the New Share Option Scheme, pursuant to Rule 17.03 of the Listing Rules, the total number of Shares which may be issued upon the exercise of all the options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of the adoption of the New Share Option Scheme initially. Based on the 2,220,647,641 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Share Option Scheme under such initial mandate limit is 222,064,764 Shares. The Company may seek approval of the Shareholders in general meetings to refresh the 10% initial mandate limit. Notwithstanding that the mandate limit may be refreshed, the Board shall not grant Options which would result in the maximum aggregate number of Shares which may be issued upon exercise of all the outstanding options granted but yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company which entitle the holders to acquire or subscribe for Shares exceeding, in aggregate, 30% of the issued share capital of the Company from time to time.

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## LETTER FROM THE BOARD

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### NOTICE OF 2013 ANNUAL GENERAL MEETING

Notice of the AGM is set out on pages 26 to 30 of this circular. A form of proxy for appointing proxy is despatched with this circular and published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.irasia.com/listco/hk/veeko/index.htm](http://www.irasia.com/listco/hk/veeko/index.htm)) respectively. Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM and at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.

### VOTING AT THE 2013 ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the results of the poll will be published by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. No Shareholders are required to abstain from voting on any of the resolutions at the AGM according to Rule 13.40 of the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

### RECOMMENDATION

The Directors consider that the proposed granting of the Repurchase Mandate and Issue Mandate to the Directors, the re-election of the retiring Directors and the adoption of the New Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. 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**  
威高國際控股有限公司  
**Cheng Chung Man, Johnny**  
*Chairman*

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## **APPENDIX I      EXPLANATORY STATEMENT FOR REPURCHASE MANDATE**

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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 the Latest Practicable Date, there was a total of 2,220,647,641 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase up to a maximum of 222,064,764 Shares, being 10% of the issued share capital of the Company as at the date of passing of the relevant resolution for granting the Repurchase Mandate.

### **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 of the Company for the year ended 31 March, 2013) 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.

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**APPENDIX I      EXPLANATORY STATEMENT FOR REPURCHASE MANDATE**

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**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:–

<b>Month</b>	<b>Share Price Per Share</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2012</b>		
July	0.1990	0.1850
August	0.2190	0.1900
September	0.2080	0.1830
October	0.2050	0.1830
November	0.2100	0.1890
December	0.2070	0.1950
<b>2013</b>		
January	0.2460	0.2010
February	0.2500	0.2250
March	0.2420	0.2270
April	0.2400	0.2150
May	0.2430	0.2250
June	0.2430	0.2060
July (up to and including the Latest Practicable Date)	0.2160	0.2030

**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 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.

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**APPENDIX I      EXPLANATORY STATEMENT FOR REPURCHASE MANDATE**

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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 Takeovers 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 Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Cheng Chung Man, Johnny and Ms. Lam Yuk Sum, directors of the Company, were deemed to have interests in the 1,576,746,692 shares representing 71.00% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the aggregate deemed interest of Mr. Cheng and Ms. Lam in the Company would be increased to approximately 78.89% of the issued share capital of the Company. The Directors consider that such increase would not give rise to an obligation on them to make a mandatory offer under Rule 26 of the Takeovers Code but would reduce the percentage of Shares held by the public to less than 25% of the Company's total issued share capital. The Directors have no intention to exercise the Repurchase Mandate to such an extent as may result in the public shareholding falling below the minimum public float requirement.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers 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.

The following are the biographical details of the Directors proposed for re-election at the AGM:

**(1) MS. LAM YUK SUM**

Ms. Lam Yuk Sum (林玉森女士), aged 53, is an executive director, the Chief Executive Officer and a member of the remuneration committee and nomination committee of the Company. She was appointed as an executive director of the Company on 25th February, 1999 and the Chief Executive Officer on 31 August, 2005. She is responsible for the day-to-day management of the Group, specifically the merchandising management and design and product development. She is also a director of the subsidiaries of the Company. Ms. Lam has more than 26 years of experience in fashion design and retail business.

Ms. Lam has entered into a service agreement with the Company for a term of three years, determinable by either party by giving three months' prior written notice, and she is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles. For the year ended 31 March, 2013, Ms. Lam received total emoluments of HK\$674,500 from the Group. The emoluments of Ms. Lam are determined by the Board with the recommendation of its remuneration committee by reference to the Company's operating results, her performance and commitment and the market rates for the position.

Ms. Lam does not at present, nor did she in the past three years, hold any directorships in other public companies, the securities of which are listed in Hong Kong or overseas.

As at the Latest Practicable Date, Ms. Lam was interested in 233,577,738 Shares within the meaning of Part XV of the SFO. She is also deemed to be interested in the 134,450,444 Shares owned by Mr. Cheng Chung Man, Johnny, husband of Ms. Lam, and 1,208,718,510 Shares owned by Silver Crown Profits Limited which was in turn held by the trustee of The J Cheng Family Trust, a discretionary trust, the discretionary objects of which included family members of Ms. Lam and Mr. Cheng. Saved as disclosed, Ms. Lam does not have any relationships with other directors, senior management or substantial or controlling shareholders of the Company.

**(2) DR. FOK KAM CHU, JOHN**

Dr. Fok Kam Chu, John (霍錦柱博士), aged 63, is an independent non-executive director, a member of each of the audit committee, remuneration committee and nomination committee of the Company. Dr. Fok holds a doctor degree in enterprise management, a master degree in business administration and a bachelor degree in laws. He is an associate of the Institute of Financial Accountants in United Kingdom, a registered financial planner of the Society of Registered Financial Planners in Hong Kong and in Mainland China as well as a certified risk planner of The Institute of Crisis & Risks Management in Hong Kong. Dr. Fok has about 40 years' experience in banking and management. Currently, he serves as an independent non-executive director, a member of each of the audit committee, remuneration committee and nomination committee of Dynamic Holdings Limited 達力集團有限公司, a company listed on the main board of the Stock Exchange.

Dr. Fok has signed an appointment letter with the Company for a term of two years and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles. He is entitled to receive an annual director's fee of HK\$100,000 (which is covered by the appointment letter) as determined by the Board with the recommendation of its remuneration committee by reference to the market practices.

Saved as disclosed above, Dr. Fok does not hold any other positions in the Group; nor directorship in other public companies, the securities of which are listed in Hong Kong or overseas. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Dr. Fok does not have any interests in the Shares within the meaning of Part XV of the SFO.

### **(3) MR. YEUNG WING KAY**

Mr. Yeung Wing Kay (楊永基先生), aged 60, is an independent non-executive director, the chairman of each of the audit committee and remuneration committee and a member of the nomination committee of the Company. 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 20 years. He graduated from the Chinese University of Hong Kong with a degree of Bachelor of Social Sciences.

Mr. Yeung has signed an appointment letter with the Company for a term of two years and he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the provisions of the Articles. He is entitled to an annual director's fee of HK\$120,000 (which is covered by the appointment letter) as determined by the Board with the recommendation of its remuneration committee by reference to the market practices.

Mr. Yeung does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company nor does he hold any positions in the Group. He does not at present, nor did he in the past three years, hold any directorships in other public companies, the securities of which are listed in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Yeung does not have any interests in the Shares within the meaning of Part XV of the SFO.

## **4. GENERAL**

Save as disclosed above, each of the above retiring Directors proposed for re-election has confirmed that there is no information which is discloseable nor is/was she/he involved in any matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to her/his re-election that need to be brought to the attention of the Shareholders.



The following is a summary of the principal terms of the rules of the New Share Option Scheme proposed to be adopted at the AGM.

### **1. PURPOSE OF THE SHARE OPTION SCHEME**

The purpose of the New Share Option Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.

### **2. WHO MAY JOIN**

The Board may, at its discretion, invite any Eligible Participant to take up Options to subscribe for Shares at a price determined in accordance with paragraph 6 below.

The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

### **3. CONDITIONS**

The New Share Option Scheme adopted by the Company at a general meeting of the Shareholders is conditional upon the listing committee of the Stock Exchange granting the listing of and permission to deal in such number of Shares representing the General Scheme Limit (as defined in paragraph 9.2) to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

### **4. DURATION AND ADMINISTRATION**

- 4.1 Subject to paragraph 15, the New Share Option Scheme shall be valid and effective until the Termination Date, after which period no further Options may be issued but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.
- 4.2 The New Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall (save for the grant of Options referred to paragraph 5.2 which shall be approved in the manner referred to therein and save as otherwise provided therein) be final and binding on all persons who may be affected thereby.

**5. GRANT OF OPTIONS**

5.1 Subject to paragraph 5.2, the Directors shall, in accordance with the provisions of the New Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the Adoption Date to make an Offer to any person belonging to the following classes of participants to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares at such Subscription Price as the Directors shall, subject to paragraph 10, determine:

- (a) any Eligible Employee;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any of its Subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and
- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the New Share Option Scheme, the Offer may be made to any company wholly owned by one or more Eligible Participants.

For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

5.2 Without prejudice to paragraph 9.4 below, the making of an Offer to any Director, chief executive officer or Substantial Shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an Option).

- 5.3 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.
- 5.4 An Offer shall have been accepted by an Eligible Participant in respect of all Shares under the Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.5 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 5.6 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 5.4 or 5.5, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 5.4 or 5.5, it will be deemed to have been irrevocably declined.
- 5.7 For so long as the Shares are listed on the Stock Exchange:
- (a) an Offer may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules; and
  - (b) the Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**6. SUBSCRIPTION PRICE**

The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 10, be at the discretion of the Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the Offer Date;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
- (c) the nominal value of a Share.

**7. EXERCISE OF OPTIONS**

- 7.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.
- 7.2 Unless otherwise determined by the Directors and stated in the Offer to a Grantee, a Grantee is not required to hold an Option for any minimum period nor achieve any performance targets before the exercise of an Option granted to him.
- 7.3 Subject to the fulfillment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein (if any), an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 7.4 and 7.5 by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for Shares in respect of which the notice is given. Within 21 days (seven days in the case of an exercise pursuant to paragraph 7.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the Auditors or the independent financial advisers pursuant to paragraph 10, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a personal representative pursuant to paragraph 7.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative as aforesaid) a share certificate for the Shares so allotted and issued.

- 7.4 Subject to the terms and conditions of the New Share Option Scheme, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:
- (a) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 7.4(c) or 7.4(d) occur during such period, exercise the Option pursuant to paragraph 7.4 (c) or 7.4 (d) respectively;
  - (b) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 8.1(c) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 7.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in sub-paragraph 7.4(c) or 7.4(d) occur during such period, exercise the Option pursuant to paragraph 7.4(c) or 7.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not;
  - (c) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to shareholders in the Company, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 7.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement,

as the case may be. Subject to the above, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, the revised offer) closed or the relevant record date for entitlements under the scheme of arrangement, as the case may be;

- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 7.3 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one (1) Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (e) if the Grantee is a company wholly owned by one or more Eligible Participants:
  - (i) the provisions of paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall apply to the Grantee and to the Options granted to such Grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 7.4(a), 7.4(b), 8.1(c) and 8.1(d) shall occur with respect to the relevant Eligible Participant; and
  - (ii) the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

7.5 Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

**8. EARLY TERMINATION OF OPTION PERIOD**

8.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods referred to in paragraph 7.4;
- (c) in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group or the Invested Entity into disrepute);
- (d) in respect of a Grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that (i) (aa) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and any member of the Group or any Invested Entity on the other part; or (bb) the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally or (cc) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in sub-paragraph (aa), (bb) or (cc) above; and
- (e) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 7.1 by the Grantee in respect of that or any other Option.

**9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**

9.1 The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the New Share Option Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph 9.1 being exceeded.

- 9.2 The total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange (“**General Scheme Limit**”) provided that:
- (a) subject to paragraph 9.1 and without prejudice to paragraph 9.2(b), the Company may seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option scheme of the Group) previously granted under the New Share Option Scheme and any other share option scheme of the Group will not be counted; and
  - (b) subject to paragraph 9.1 and without prejudice to paragraph 9.2(a), the Company may seek separate shareholders’ approval in general meeting to grant Options under the New Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 9.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.
- 9.3 Subject to paragraph 9.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of Options to a Grantee under the New Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Share Option Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such Grantee and his associates abstaining from voting.
- 9.4 Without prejudice to paragraph 5.2, where any grant of Options to a Substantial Shareholder of the Company or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (a) representing in aggregate over 0.1% of the Shares in issue; and



- (b) having an aggregate value, based on the closing price of the Shares at the Offer Date of each Offer, in excess of HK\$5 million;

such further grant of Options must be approved by the shareholders of the Company in general meeting.

#### **10. ADJUSTMENT TO THE SUBSCRIPTION PRICE**

10.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or the New Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Subscription Price of any Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remains comprised in an Option,

and an adjustment as so certified by the Auditors or such independent financial adviser shall be made, provided that:

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (d) any such adjustment shall be in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange.

In respect of any adjustment referred to in this paragraph 10.1, other than any adjustment made on a capitalisation issue, the Auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

**11. CANCELLATION OF OPTIONS**

Subject to paragraph 7.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors. Where the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding, for this purpose, the Options so cancelled) within the General Scheme Limit or the limits approved by the shareholders of the Company pursuant to paragraph 9.2(a) or 9.2(b).

**12. SHARE CAPITAL**

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Directors shall make available sufficient authorised but unissued share capital of the Company to allot and issue the Shares on the exercise of any Option.

**13. DISPUTES**

Any dispute arising in connection with the number of Shares, the subject of an Option, or any adjustment under paragraph 10.1 shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

**14. ALTERATION OF THIS SCHEME**

14.1 Subject to paragraph 14.2, the New Share Option Scheme may be altered in any respect by a resolution of the Directors except that:

- (a) the provisions of the New Share Option Scheme as to the definitions of “Eligible Participants”, “Grantee”, “Option Period” and “Termination Date” in the section headed “Definitions” of the New Share Option Scheme;
- (b) the provisions of the New Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Grantees or prospective Grantees without the prior approval of the shareholders of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the Articles for the time being for a variation of the rights attached to the Shares.

14.2 Subject to paragraph 14.3, any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature shall be approved by the shareholders of the Company in general meeting except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

14.3 Any change to the authority of the Directors or the administrators of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by the shareholders of the Company in general meeting.

## **15. TERMINATION**

The Company by resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

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## NOTICE OF 2013 ANNUAL GENERAL MEETING

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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)

### NOTICE OF 2013 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2013 Annual General Meeting (the “**Meeting**”) of Veeko International Holdings Limited 威高國際控股有限公司 (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 Friday, 30 August 2013 at 10:30 a.m. for the following purposes:-

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the independent auditor for the year ended 31 March, 2013.
2. To declare of a final dividend for the year ended 31 March 2013 of HK0.9 cent per share by way of cash with an option to elect to receive wholly or partly an allotment and issue of shares credited as fully paid in lieu of cash.
3. To re-elect Ms. Lam Yuk Sum as a director.
4. To re-elect Dr. Fok Kam Chu, John as a director.
5. To re-elect Mr. Yeung Wing Kay as a director.
6. To authorise the board of directors to fix the directors’ remuneration.
7. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
8. To consider and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:-

**“THAT**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company 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 shares 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

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## NOTICE OF 2013 ANNUAL GENERAL MEETING

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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) above during the Relevant Period shall not exceed 10% of the total 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) shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” means the period from the date of 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.”.
9. To consider and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:–

**“THAT**

- (a) subject to paragraph (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 issued, allotted or agreed conditionally or unconditionally to be issued, allotted or dealt with pursuant to the approval in paragraph (a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% of the total 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:–

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## NOTICE OF 2013 ANNUAL GENERAL MEETING

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- (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;
  - (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the articles of association of the Company; or
  - (v) any specific authority granted or to be granted by the shareholders of the Company in general meeting; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of 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.”.
10. To consider and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:–

“**THAT** conditional upon the passing of resolutions 8 and 9 as set out in the notice convening this meeting, the general mandate granted to the directors of the Company pursuant to resolution 9 to exercise the powers of the Company to issue, allot and deal with the unissued shares in the share capital of the Company be and is hereby extended by the addition thereto the aggregate nominal amount of the share capital of the Company to be repurchased by the Company under the authority granted pursuant to resolution 8, provided that such amount in aggregate shall not exceed 10% of the total nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

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11. To consider and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the share option scheme of the Company (“**New Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarised in the circular of the Company dated 19 July 2013, be hereby approved and adopted and the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including without limitation:

- (a) administering the New Share Option Scheme and granting options under the New Share Option Scheme;
- (b) modifying and/or amending the rules of the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”);
- (c) issuing and allotting from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme; and
- (d) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme.”

By order of the Board  
**Veeko International Holdings Limited**  
威高國際控股有限公司  
**Wong Chi Ying**  
*Company Secretary*

Hong Kong  
19 July 2013

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## NOTICE OF 2013 ANNUAL GENERAL MEETING

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*Notes:*

- (1) All resolutions at the Meeting will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (2) A member entitled to attend and vote at the Meeting is entitled to appoint one or more (if he holds more than one share) proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (3) 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 registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the Meeting and, in such event, the said form of proxy shall be deemed to be revoked.
- (4) For determining the qualification as members of the Company to attend and vote at the Meeting, the register of members of the Company will be closed from Wednesday, 28 August 2013 to Friday, 30 August 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as members to attend and vote at the Meeting, investors are required to lodge all transfers of shares accompanied by the relevant share certificates with the Company's share registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 27 August 2013.
- (5) For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 9 September 2013 to Wednesday, 11 September 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 September 2013.

*The directors of the Company as at the date of this notice are Mr. Cheng Chung Man, Johnny (Chairman) and Ms. Lam Yuk Sum (Chief Executive Officer) being the Executive Directors and Dr. Fok Kam Chu, John, Mr. Yang Wei Tak and Mr. Yeung Wing Kay being the Independent Non-executive Directors.*