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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 18 December 2007, the Directors announced the interim results of the Group for the six months ended 30 September 2007 and resolved to declare the Interim Dividend of HK0.80 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 18 December 2007, 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 2007 and resolved to declare an interim dividend (“**Interim Dividend**”) of HK0.80 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 31 December 2007 (“**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 HK0.80 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 17 December 2007 less a discount of five 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\$0.22553 per Share, having taken into account a five per cent. discount to HK\$0.2374, being the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ended 17 December 2007.

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 were two Shareholders with registered addresses in Taiwan as appeared on the register of members of the Company. The Board has made enquiries with its legal adviser as to Taiwan laws as to whether there is any legal restriction under the applicable securities legislation of Taiwan or requirement of any relevant regulatory body or stock exchange with respect to the offer of Scrip Shares to such Shareholders in Taiwan. The Company has been advised by its legal adviser as to Taiwan laws that there is no legal restriction under the applicable legislation of Taiwan or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Scrip Shares to the Shareholders in Taiwan. Based on the advice of the Company's legal adviser as to Taiwan 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 Taiwan and may be despatched to the Shareholders with registered addresses in Taiwan 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 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 branch 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 15 February 2008.**

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 29 February 2008. On this basis, dealings in the Scrip Shares are expected to commence on 4 March 2008.

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, Cheng Chung Man, Johnny (Chairman) and Lam Yuk Sum and three independent non-executive Directors, namely, Cheng Chung Hoo, Yang Wei Tak and Yeung Wing Kay.

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

Hong Kong, 24 January 2008