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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in VPower Group International Holdings Limited (the “**Company**”), you should at once hand this circular and the accompanying Election Form to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her/it without VPower Group International Holdings Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities.

The Chinese translation of this circular is for reference only and in case of any inconsistency, the English version shall prevail.



VPOWER GROUP INTERNATIONAL HOLDINGS LIMITED

偉能集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1608)

**SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2020**

DEFINITIONS

In this circular, except where the context otherwise requires, the following expressions shall have the following meanings:

“2020 Final Dividend”	the final dividend of HK3.45 cents per Share for the year ended 31 December 2020 payable on or about Wednesday, 28 July 2021 to Eligible Shareholders
“AGM”	the annual general meeting of the Company held at Units 2701-05, 27/F, Office Tower 1, The Harbourfront, 18-22 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Friday, 11 June 2021 at 11:00 a.m.
“Board”	the board of Directors
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	VPower Group International Holdings Limited (偉能集團國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 June 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New Share(s)”	new Share(s) credited as fully paid to be issued under the Scrip Dividend Scheme
“Overseas Shareholders”	Eligible Shareholders whose addresses as shown on the register of members of the Company on the Record Date were in places outside Hong Kong

DEFINITIONS

“PRC”	People’s Republic of China, which for the purpose of this circular, excludes Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region of the People’s Republic of China
“Record Date”	22 June 2021, being the date for determining the Shareholders who qualify for the 2020 Final Dividend
“Scrip Dividend Scheme”	the scrip dividend scheme proposed by the Board and announced in the results announcement of the Company on 25 March 2021 which offers Eligible Shareholders a scrip alternative whereby Eligible Shareholders may elect to receive the 2020 Final Dividend wholly or partly by the allotment of New Shares in lieu of cash
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



VPOWER GROUP INTERNATIONAL HOLDINGS LIMITED

偉能集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1608)

Executive Directors:

Mr. Lam Yee Chun (*Executive Chairman*)
Mr. Lee Chong Man Jason (*Co-Chief Executive Officer*)
Mr. Au-Yeung Tai Hong Rorce (*Co-Chief Executive Officer*)
Mr. Lo Siu Yuen (*Chief Operation Officer*)

Non-Executive Directors:

Ms. Chan Mei Wan (*Vice Chairwoman*)
Mr. Kwok Man Leung

Independent Non-Executive Directors:

Mr. David Tsoi
Mr. Yeung Wai Fai Andrew
Mr. Suen Wai Yu

Registered Office:

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

***Head Office and Principal Place of
Business in Hong Kong:***

Units 2701-05, 27/F
Office Tower 1
The Harbourfront
18-22 Tak Fung Street
Hung Hom
Kowloon
Hong Kong

28 June 2021

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2020**

INTRODUCTION

On 25 March 2021, the Company announced that the Board had recommended the payment of the 2020 Final Dividend to Shareholders whose names appear on the register of members of the Company on the Record Date. At the AGM, the 2020 Final Dividend was approved by the Shareholders. Eligible Shareholders may elect to receive the 2020 Final Dividend in cash, or in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Eligible Shareholders may elect to receive the 2020 Final Dividend in one of the following ways:

- (a) cash of HK3.45 cents per Share; or
- (b) an allotment of such number of New Shares calculated based on the formula set out below in lieu of cash; or
- (c) a combination of (a) and (b).

BASIS OF ALLOTMENT OF NEW SHARES

The number of New Shares to be allotted to an Eligible Shareholder will be calculated by dividing the total amount of the 2020 Final Dividend on the whole or such part of the registered holding of Shares which such Eligible Shareholder has elected to receive in New Shares by HK\$1.7803 (the “**Market Value**”), being 95 per cent of the average of the closing prices per Share quoted on the Stock Exchange for the five consecutive trading days commencing from 16 June 2021 to 22 June 2021 (both days inclusive). The calculation basis is illustrated by the formula set out below:

$$\begin{array}{l} \text{Number of New Shares} \\ \text{to be allotted} \end{array} = \begin{array}{l} \text{Number of Shares held on the Record} \\ \text{Date and elected for the New Shares} \end{array} \times \frac{\text{HK\$0.0345 (2020 Final Dividend per Share)}}{\text{HK\$1.7803 (Market Value)}}$$

The number of New Shares to be issued to the Eligible Shareholders in respect of choices (b) and (c) will be rounded down to the nearest whole number. Fractional entitlements to the New Shares in respect of choices (b) and (c) above will be disregarded. The New Shares will, on issue, rank *pari passu* in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the 2020 Final Dividend.

ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme gives the Shareholders an opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. It also benefits the Company to the extent that cash which would otherwise have been paid to the Eligible Shareholders who elect to receive the New Shares, in whole or in part in lieu of cash dividend, will be retained for use as working capital of the Company.

LETTER FROM THE BOARD

EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 2,646,915,000 Shares in issue as at the Record Date, if all Eligible Shareholders elect to receive the 2020 Final Dividend in cash, the total cash dividend payable by the Company would be approximately HK\$91,318,568. If all Eligible Shareholders elect to receive all of their entitlements to the 2020 Final Dividend in the form of New Shares in lieu of cash, based on the Market Value, the maximum number of New Shares to be issued under the Scrip Dividend Scheme will be 51,293,920 Shares, representing approximately 1.94% of the issued share capital of the Company as at the Latest Practicable Date and approximately 1.90% of the issued share capital of the Company as enlarged by the issue of such New Shares.

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to receive the 2020 Final Dividend wholly in New Shares or partly in cash and partly in New Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

If you wish to receive your 2020 Final Dividend wholly in cash, you DO NOT need to take any action and DO NOT need to return the Election Form. Eligible Shareholders who do not make an election to receive their 2020 Final Dividend in New Shares will receive their 2020 Final Dividend in cash.

If you wish to receive your 2020 Final Dividend wholly in New Shares, please just SIGN, DATE and RETURN the Election Form.

If you wish to receive your 2020 Final Dividend partly in cash and partly in New Shares, you should fill in Box C of the Election Form the number of registered Shares you held on the Record Date for which you wish your 2020 Final Dividend to be paid in New Shares and then SIGN, DATE and RETURN the Election Form.

If you do not specify the number of Shares in respect of which you wish to receive New Shares, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding as at the Record Date, you will be deemed to have exercised your election to receive New Shares in respect of all the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the 2020 Final Dividend.

LETTER FROM THE BOARD

The enclosed Election Form should be completed in accordance with the instructions printed thereon and you should return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, **by 4:30 p.m. on Wednesday, 14 July 2021**. The deadline for submission of Election Forms will be adjusted if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 14 July 2021. Instead the deadline for submission of Election Forms will be 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Wednesday, 14 July 2021. Instead the deadline for submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m..

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's 2020 Final Dividend being paid wholly in the form of cash. Election in respect of the 2020 Final Dividend cannot be in any way withdrawn, revoked, superseded, or altered after the relevant Election Form is signed and lodged with the Company's branch share registrar in Hong Kong. No acknowledgement of receipt of the Election Form will be issued.

SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

This circular and the Election Form will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the Election Form for information only.

Based on the registers of members of the Company as at the Record Date, there were a total of 34 Overseas Shareholders with registered addresses in the PRC or the BVI.

According to the opinions of the Company's legal advisers on the laws of the PRC and the BVI, there is no legal restriction under the laws or regulatory requirements of the PRC or the BVI with respect to the offering and issuing of the New Shares through sending copies of this circular and the Election Form to the Eligible Shareholders with registered addresses located in the PRC or the BVI.

LETTER FROM THE BOARD

The Scrip Dividend Scheme is open to all Eligible Shareholders. For the avoidance of doubt, the New Shares are not being offered to the public (other than the Eligible Shareholders) and the Election Forms are non-transferable.

Notwithstanding the opinions of the Company's legal advisers, it is the responsibility of any Overseas Shareholder wishing to receive New Shares for the 2020 Final Dividend to satisfy himself/herself/itself as to full observance of the laws of any relevant jurisdiction, including obtaining any governmental or other consents or observing any requirement or formality which may be required. Overseas Shareholders who are in any doubt as to their positions should consult their own professional advisers.

BOOK CLOSURE PERIOD

The register of members of the Company was closed from Friday, 18 June 2021 to Tuesday, 22 June 2021, both days inclusive, for the purpose of determining Shareholders who qualify for the 2020 Final Dividend.

CONDITIONS OF SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares.

In the unlikely event that the above condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void, and the 2020 Final Dividend will then be paid wholly in cash.

SHARE CERTIFICATES AND STOCK EXCHANGE LISTING

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares. It is expected that the share certificates for the New Shares and cheques for cash dividends will be sent by ordinary mail to Shareholders at their own risk on or about Wednesday, 28 July 2021. The first day of dealings in the New Shares on the Stock Exchange is expected to be on or about Thursday, 29 July 2021.

The Shares are listed on and dealt in the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

LETTER FROM THE BOARD

CENTRAL CLEARING AND SETTLEMENT SYSTEM

Subject to the granting of the listing of, and permission to deal in, the New Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their stockbroker or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

GENERAL

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their 2020 Final Dividend in New Shares may be allocated in odd lots (of less than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Eligible Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Eligible Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
By Order of the Board
Lam Yee Chun
Executive Chairman