
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in V.S. International Group Limited, you should at once hand this circular and the accompanying form of proxy 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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Capitalised terms used in this circular shall have the same meanings as defined in the section headed “Definitions” in this circular.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 herein or this circular misleading.

**V.S. INTERNATIONAL GROUP LIMITED****威鉞國際集團有限公司***(incorporated in the Cayman Islands with limited liability)***(Stock code: 1002)**

- (1) GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES**
 - (2) RE-ELECTION OF DIRECTORS**
 - (3) NOTICE OF ANNUAL GENERAL MEETING**
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Notice of the annual general meeting of V.S. International Group Limited to be held at Star City Hotel, No. 88, Jingshan Road, Jida, Zhuhai, Guangdong Province, the People's Republic of China on Wednesday, 11 December 2019 at 11:00 a.m. is set out on pages 15 to 18 of this circular. If you are unable to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting (i.e. 11:00 a.m. on Monday, 9 December 2019, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person if you so wish.

11 November 2019

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DEFINITIONS

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

“AGM Notice”	the notice for convening the Annual General Meeting set out on pages 15 to 18 of this circular
“Annual General Meeting”	the annual general meeting of the Company to be held on Wednesday, 11 December 2019 at Star City Hotel, No. 88, Jingshan Road, Jida, Zhuhai, Guangdong Province, the People’s Republic of China at 11:00 a.m.
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“CG Code”	Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules
“Company”	V.S. International Group Limited (威鉞國際集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares of up to a maximum of 20% of the total number of issued Shares in issue as at the date of passing of the relevant resolution at the Annual General Meeting

DEFINITIONS

“Latest Practicable Date”	5 November 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase Shares the aggregate nominal amount of which does not exceed 10% of the total number of issued Shares as at the date of passing the relevant resolution at the Annual General Meeting
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of \$0.05 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs by the Securities and Futures Commission in Hong Kong
“V.S. Berhad”	V.S. Industry Berhad, a company incorporated in Malaysia, whose shares are listed on Bursa Malaysia Main Market and the holding company of the Company
“\$” and “cents”	Hong Kong dollars and cents, respectively
“%”	per cent.

LETTER FROM THE BOARD



V.S. INTERNATIONAL GROUP LIMITED

威鉞國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1002)

Executive Directors:

Mr. Beh Kim Ling
Mr. Gan Sem Yam
Madam Gan Chu Cheng
Mr. Zhang Pei Yu
Mr. Beh Chern Wei

Registered office:

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

Independent non-executive Directors:

Mr. Diong Tai Pew
Mr. Tang Sim Cheow
Ms. Fu Xiao Nan

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

40th Floor
Jardine House
1 Connaught Place
Hong Kong

Non-executive Director:

Mr. Gan Tiong Sia

11 November 2019

To the Shareholders

Dear Sir/Madam

**(1) GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
(2) RE-ELECTION OF DIRECTORS**

1. INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include: (a) ordinary resolutions relating to the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (b) ordinary resolutions relating to the re-election of the retiring Directors.

Pursuant to the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is also prepared for such purpose.

LETTER FROM THE BOARD

2. GRANT OF ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue or otherwise deal with new Shares of up to 20% of the total number of issued Shares as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 2,307,513,363 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company for the period from the Latest Practicable Date up to and including the date of the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 461,502,672 Shares, representing approximately 20% of the Shares in issue as at the Latest Practicable Date.

3. REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange or on any other stock exchange on which the Shares may be listed, shares of up to a maximum of 10% of the total number of issued Shares as at the date of passing of the relevant resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the total number of issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

Each of the Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; and (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

4. ACTIONS TO BE TAKEN

Set out on pages 15 to 18 of this circular is the AGM Notice. At the Annual General Meeting, resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and

LETTER FROM THE BOARD

(b) the re-election of Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of 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. Therefore, the chairman of the Annual General Meeting will demand a poll for each and every resolution put forward at the Annual General Meeting. The chairman of the Annual General Meeting will explain the detailed procedures for conducting a poll at the commencement of the Annual General Meeting.

You will find enclosed with this circular a form of proxy for use at the Annual General Meeting. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time for the Annual General Meeting (i.e. 11:00 a.m. on Monday, 9 December 2019, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

5. RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are in the best interests of the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 July 2019, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolutions approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting.

LETTER FROM THE BOARD

6. RE-ELECTION OF DIRECTORS

In accordance with Article 108(A) of the Articles, Mr. Beh Kim Ling, Mr. Zhang Pei Yu and Mr. Gan Tiong Sia will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the Annual General Meeting.

Certain particulars of each of Mr. Beh Kim Ling, Mr. Zhang Pei Yu and Mr. Gan Tiong Sia are set out in Appendix II to this circular.

7. CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the Shareholders who are eligible to attend the Annual General Meeting, the register of members of the Company will be closed from Friday, 6 December 2019 to Wednesday, 11 December 2019 (both dates inclusive) during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to qualify for voting at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificate and transfer forms must be lodged with the Registrar no later than 4:30 p.m. on Thursday, 5 December 2019.

8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully
For and on behalf of the Board
V.S. International Group Limited
Beh Kim Ling
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information as to the proposed Repurchase Mandate.

1. Listing Rules relating to the repurchase of securities

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. Share capital

As at Latest Practicable Date, there were a total of 2,307,513,363 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 230,751,336 Shares, representing approximately 10% of the issued Shares as at the Latest Practicable Date.

3. Reasons for the repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

4. Funding of repurchases

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 July 2019, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. Share prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the 12 months preceding the Latest Practicable Date were as follows:

2018	Highest	Lowest
	\$	\$
November	0.130	0.105
December	0.127	0.095
 2019		
January	0.110	0.085
February	0.110	0.089
March	0.100	0.081
April	0.100	0.084
May	0.107	0.081
June	0.122	0.082
July	0.122	0.086
August	0.232	0.087
September	0.200	0.147
October	0.255	0.175
November (<i>Note</i>)	0.275	0.230

Note: up to the Latest Practicable Date

6. The Takeovers Code and minimum public holding

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) 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 Directors, V.S. Berhad held 1,000,109,963 Shares, representing approximately 43.34% of the existing issued Shares. On the basis that there were 2,307,513,363 Shares in issue as at the

Latest Practicable Date and assuming that there will be no issue or repurchase of Shares prior to the date of the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage shareholding in the Company of V.S. Berhad would increase to approximately 48.16% of the existing issued Shares. On the basis of the shareholding of V.S. Berhad as at the Latest Practicable Date, such increase will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in any takeover obligation of any party.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

At the Latest Practicable Date, save as disclosed above, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase of Shares under the Repurchase Mandate.

7. Share repurchase made by the Company

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. General

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the Annual General Meeting.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchase of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, applicable laws of the Cayman Islands and the regulations set out in the memorandum of association of the Company and the Articles.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such core connected person undertaken not to sell any Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved at the Annual General Meeting.

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

The particulars of the Directors eligible for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS

Mr. Beh Kim Ling (“Mr. Beh”)

Mr. Beh Kim Ling, aged 61, is the chairman of the Company. Mr. Beh started his career in 1976 as a plastic moulding technician in Singapore. Three years later, Mr. Beh established VS Industry Pte Ltd which was principally involved in the manufacturing of cassettes and video tapes parts in Singapore. In 1982, Mr. Beh, together with his wife, relocated the entire business operations of VS Industry Pte Ltd from Singapore to Johor Bahru, Malaysia and set up V.S. Berhad in Johor Bahru, Malaysia. Mr. Beh is the executive chairman of V.S. Berhad, a company listed in Malaysia since then. With the vast experience in the plastic moulding injection business gained in Singapore and Malaysia, Mr. Beh founded the Group’s business in the People’s Republic of China in 1997. Mr. Beh has been appointed as an executive Director since 5 November 2001.

Mr. Beh received Honorary Doctorate from the Honolulu University in Hawaii, the United States of America in November 2003. In recognition of his efforts and dedication, His Excellency, the Governor of Malacca conferred the Darjah Putra Seri Melaka to him which carries the prestigious title of “Datuk” in December 2012. Currently, Mr. Beh is a director of each of the subsidiaries of the Company and he focuses mainly on business development and formulation of the overall business strategy of the Group.

Save as disclosed above, in the three years immediately preceding the Latest Practicable Date, Mr. Beh had not held any directorship in listed public companies or other major appointments and qualifications.

Mr. Beh has entered into a service contract with the Company for an initial term of three years from 1 August 2001 and expiring on 31 July 2004 which is renewable automatically for successive terms of one year each commencing from the day immediately after the expiry of the then current term, unless terminated by not less than three months’ notice in writing served by either party expiring at the end of the initial term or at any time thereafter. Under the service contract, Mr. Beh is currently entitled to the following remuneration which is determined with reference to his performance and contribution to the Group:

- (i) a monthly salary of \$455,000, subject to such increase as the Board may, subject to compliance with the provisions of the Articles for the time being in force, determine from time to time in its absolute discretion;
- (ii) upon completion of every 12 months of services, a management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion, provided that the total amount of bonuses payable to all the executive Directors for the time being shall not exceed the following amount or percentage of the combined or, as the case may be, consolidated audited net profit of the Group (before taxation and the payment of such bonuses

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

but after minority interests) for that financial year, depending on the amount of the combined or consolidated net profit of the Group (before taxation and the payment of such bonuses but after minority interests for that financial year of the Company):

Group's net profit (before taxation and the payment of such bonuses but after minority interests)	Maximum bonus payable to all executive Directors for the time being of the Company (Amount/Percentage of the Group's net profit (before taxation and the payment of such bonuses but after minority interests))
Not more than \$20,000,000	\$1,000,000 or 5%, whichever is lower
Equal to or more than \$20,000,000 but not more than \$25,000,000	\$1,750,000
Equal to or more than \$25,000,000 but not more than \$30,000,000	\$2,250,000
Equal to or more than \$30,000,000 but not more than \$40,000,000	\$3,000,000
Equal to or more than \$40,000,000 but not more than \$50,000,000	\$4,800,000
Equal to or more than \$50,000,000	14%

- (iii) the use of a car of the style and model commensurate with his rank and position;
- (iv) insurance policies against his personal accident and medical expenses;
- (v) for each 12 months, the cost of two round trip business class flight tickets between Singapore and the People's Republic of China for him, his spouse and children;
- (vi) reimbursement to him in full of all Hong Kong salaries tax levied and paid by him in respect of payments and benefits received under the service contract;
- (vii) reimbursement to him in full of all reasonable educational expenses incurred by him in respect of his children;

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

- (viii) a family leave passage of one trip in each year for which full reimbursement of travel, meal and accommodation expenses shall be made to him, his spouse and his children; and
- (ix) accommodation in Hong Kong whenever he is required to stay and perform his duties under the service contract in Hong Kong.

As at the Latest Practicable Date, Mr. Beh was interested in 158,904,532 Shares, representing approximately 6.89% of the Shares in issue as at the Latest Practicable Date. Mr. Beh is (i) the husband of Madam Gan Chu Cheng, an executive Director of the Company, (ii) the brother-in-law of Messrs. Gan Sem Yam, the managing Director, and Gan Tiong Sia, a non-executive Director; and (iii) the father of Mr. Beh Chern Wei, an executive Director. Mr. Beh is an executive director and a shareholder of V.S. Berhad, the holding company of the Company. Save as disclosed above, Mr. Beh was not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date.

Mr. Zhang Pei Yu (“Mr. Zhang”)

Mr. Zhang Pei Yu, aged 81, has been with the Group since October 2000 and has been appointed as an executive Director since 5 November 2001. Prior to joining the Group, Mr. Zhang held various managerial positions with a number of large state-owned enterprises and government bureau in the People’s Republic of China, including Shenyang Auto Mobile Manufacturing Factory, Shenyang Light Industry Bureau, Planning Economy Committee of Shenyang and Shenyang Jinbei Company. Mr. Zhang has gained substantial experience in corporate management and business development in the People’s Republic of China. Mr. Zhang is principally responsible for the corporate affairs of the Group in the People’s Republic of China. Save as disclosed above, in the three years immediately preceding the Latest Practicable Date, Mr. Zhang had not held any directorship in listed public companies or other major appointments and qualifications.

Mr. Zhang has entered into a service contract with the Company for an initial term of three years from 1 August 2001 and expiring on 31 July 2004 which is renewable automatically for successive terms of one year each commencing from the day immediately after the expiry of the then current term, unless terminated by not less than three months’ notice in writing served by either party expiring at the end of the initial term or at any time thereafter. Under the service contract, Mr. Zhang is currently entitled to the following remuneration which is determined with reference to his performance and contribution to the Group:

- (i) a monthly salary of RMB61,350, subject to such increase as the Board may, subject to compliance with the provisions of the Articles for the time being in force, determine from time to time in its absolute discretion;
- (ii) upon completion of every 12 months of services, a management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion, provided that the total amount of bonuses payable to all the executive Directors for the time being shall not exceed the following

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

amount or percentage of the combined or, as the case may be, consolidated audited net profit of the Group (before taxation and the payment of such bonuses but after minority interests) for that financial year, depending on the amount of the combined or consolidated net profit of the Group (before taxation and the payment of such bonuses but after minority interests for that financial year of the Company):

Group's net profit (before taxation and the payment of such bonuses but after minority interests)	Maximum bonus payable to all executive Directors for the time being of the Company (Amount/Percentage of the Group's net profit (before taxation and the payment of such bonuses but after minority interests))
Not more than \$20,000,000	\$1,000,000 or 5%, whichever is lower
Equal to or more than \$20,000,000 but not more than \$25,000,000	\$1,750,000
Equal to or more than \$25,000,000 but not more than \$30,000,000	\$2,250,000
Equal to or more than \$30,000,000 but not more than \$40,000,000	\$3,000,000
Equal to or more than \$40,000,000 but not more than \$50,000,000	\$4,800,000
Equal to or more than \$50,000,000	14%

- (iii) the use of a car of the style and model commensurate with his rank and position;
- (iv) insurance policies against his personal accident and medical expenses;
- (v) for each 12 months, the cost of two round trip business class flight tickets between Singapore and the People's Republic of China for him, his spouse and children;
- (vi) reimbursement to him in full of all Hong Kong salaries tax levied and paid by him in respect of payments and benefits received under the service contract;
- (vii) reimbursement to him in full of all reasonable educational expenses incurred by him in respect of his children;
- (viii) a family leave passage of one trip in each year for which full reimbursement of travel, meal and accommodation expenses shall be made to him, his spouse and his children; and

APPENDIX II PARTICULARS OF DIRECTORS FOR RE-ELECTION

- (ix) accommodation in Hong Kong whenever he is required to stay and perform his duties under the service contract in Hong Kong.

As at the Latest Practicable Date, Mr. Zhang was interested in 2,000 Shares, representing approximately 0.00% of the Shares in issue as at the Latest Practicable Date. Mr. Zhang is not related to the other Directors or any senior management or substantial or controlling Shareholders of the Company.

NON-EXECUTIVE DIRECTOR

Mr. Gan Tiong Sia (“Mr. Gan”)

Mr. Gan Tiong Sia, aged 59, has been a member of the Board since 5 November 2001. After graduation from secondary school, Mr. Gan joined V.S. Berhad as a management trainee. Mr. Gan was subsequently promoted as the marketing manager of V.S. Berhad in 1986 and became a director of V.S. Berhad in February 1988.

In May 2014, in recognition of Mr. Gan’s efforts and dedication, he was conferred the Darjah Indera Mahkota Pahang which carries the prestigious title of “Dato” by His Excellency, the Sultan of Pahang.

Mr. Gan is a director of V.S. Corporation (HK) Co. Limited, a wholly-owned subsidiary of the Company.

Save as disclosed above, in the three years immediately preceding the Latest Practicable Date, Mr. Gan had not held any directorship in listed public companies or other major appointments and qualifications.

Mr. Gan has entered into an appointment letter with the Company for a fixed term of one year commencing from 1 August 2006, unless terminated by not less than two months’ notice in writing served by either party to the other. Mr. Gan is currently entitled to an annual director’s fee of \$180,000 which is determined with reference to his performance and contribution to the Group.

As at the Latest Practicable Date, Mr. Gan was interested in 17,215,074 Shares, representing approximately 0.75% of the Shares in issue as at the Latest Practicable Date. Mr. Gan is (i) the brother of Madam Gan Chu Cheng and Mr. Gan Sem Yam, (ii) the brother-in-law of Mr. Beh Kim Ling, and (iii) the uncle of Mr. Beh Chern Wei, all being executive Directors. Mr. Gan is an executive director and a shareholder of V.S. Berhad. Save as disclosed above, Mr. Gan was not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of each of Mr. Beh, Mr. Zhang and Mr. Gan as Director and there is no information which is discloseable nor is/was any of Mr. Beh, Mr. Zhang and Mr. Gan involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



V.S. INTERNATIONAL GROUP LIMITED

威鉞國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1002)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of V.S. International Group Limited (“**Company**”) will be held at Star City Hotel, No. 88, Jingshan Road, Jida, Zhuhai, Guangdong Province, the People’s Republic of China on Wednesday, 11 December 2019 at 11:00 a.m. for the following purposes:

1. to receive and approve the audited consolidated financial statements and the reports of the directors (“**Directors**”) of the Company and the Company’s auditors for the year ended 31 July 2019;
2. to consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr. Beh Kim Ling as Director;
 - (b) to re-elect Mr. Zhang Pei Yu as Director;
 - (c) to re-elect Mr. Gan Tiong Sia as Director; and
 - (d) to authorise the board of Directors to fix the Directors’ remuneration;
3. to re-appoint the Company’s auditors and to authorise the board of Directors to fix their remuneration;

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares in the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares in the Company, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in the Company in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company shall not exceed the aggregate of:
 - (aa) 20 per cent. of the total number of shares of the Company in issue on the date of the passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the total number of shares of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the total number of shares of the Company in issue on the date of the passing of this resolution),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) (“**Company Law**”) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

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“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the Directors to holders of shares in the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the total number of shares in the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) 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, the Companies Law or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

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6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the total number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to or in accordance with such general mandate of a number representing the total number of shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

Yours faithfully
For and on behalf of
the Board of Directors of
V.S. International Group Limited
Beh Kim Ling
Chairman

Zhuhai, the People’s Republic of China
11 November 2019

Registered office:

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

***Head office and principal place
of business in Hong Kong:***

40th Floor
Jardine House
1 Connaught Place
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited (“**Branch Registrar**”) of 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 48 hours before the time of the meeting (i.e. 11:00 a.m. on Monday, 9 December 2019, Hong Kong time) or any adjournment thereof.
3. The register of members of the Company will be closed from Friday, 6 December 2019 to Wednesday, 11 December 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for voting at the meeting convened by the above notice, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Branch Registrar no later than 4:30 p.m. on Thursday, 5 December 2019.
4. In relation to the proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). The Directors have no immediate plans to issue any new shares other than shares which may fall to be issued under the share option scheme of the Company.
5. In relation to the proposed resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in a circular to the shareholders.
6. As at the date of this notice, the board of Directors comprises Mr. Beh Kim Ling, Mr. Gan Sem Yam, Madam Gan Chu Cheng, Mr. Zhang Pei Yu and Mr. Beh Chern Wei as executive Directors, Mr. Gan Tiong Sia as non-executive Director, and Mr. Diong Tai Pew, Mr. Tang Sim Cheow and Ms. Fu Xiao Nan as independent non-executive Directors.