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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)

VARIATION OF TERM IN RELATION TO THE AGREEMENT IN RESPECT OF THE INVESTMENT

Reference is made to the announcements of the Company dated 20 June 2008 and 11 May 2009 and the circular of the Company dated 11 July 2008, in relation to the agreement dated 19 June 2008 entered into between the PRC Partner, Savoy and V.S. Resources in respect of the Investment.

On 10 August 2009, the shareholders of the Target entered into the Supplemental Agreement and Articles pursuant to which the due date for settlement of the Balance was further extended from 31 July 2009 to 31 December 2009.

Reference is made to the announcements of V.S. International Group Limited (“**Company**”) dated 20 June 2008 and 11 May 2009 and the circular (“**Circular**”) of the Company dated 11 July 2008, in relation to the agreement (“**Agreement**”) dated 19 June 2008 entered into between the PRC Partner, Savoy and V.S. Resources in respect of the Investment. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Circular.

Pursuant to the Agreement, the Investment of RMB21,822,940 (equivalent to approximately HK\$24,441,693) in cash shall be injected into the Target by V.S. Resources in the following manner: (i) within seven days from the date of approval by the relevant PRC regulatory authorities approving the changes of the Target regarding the Investment, an aggregate amount of RMB7,000,000 (equivalent to approximately HK\$7,840,000) shall be paid; and (ii) prior to 31 December 2008, the balance of the Investment of RMB14,822,940 (equivalent to approximately HK\$16,601,693) shall be paid.

On 11 May 2009, resolutions were passed by the directors of the Target to approve an extension of the due date for settlement of the Balance (as defined below) from 31 December 2008 to 31 July 2009. The shareholders of the Target, namely, the PRC Partner, Savoy and V.S. Resources also entered into supplemental agreements to amend the relevant provisions in the joint venture agreement and articles of the Target to extend the due date for settlement of the Balance from 31 December 2008 to 31 July 2009.

As at the date of this announcement, RMB7,025,836 (equivalent to approximately HK\$7,868,936) has been paid by V.S. Resources and RMB14,797,104 (equivalent to approximately HK\$16,572,756) (“**Balance**”) remain as a balance outstanding.

On 10 August 2009, resolutions were passed by the directors of the Target to approve a further extension of the due date for settlement of the Balance from 31 July 2009 to 31 December 2009. The shareholders of the Target, namely, the PRC Partner, Savoy and V.S. Resources also entered into supplemental agreements (“**Supplemental Agreement and Articles**”) to amend the relevant provisions in the joint venture agreement and articles of the Target to further extend the due date for settlement of the Balance from 31 July 2009 to 31 December 2009. The Supplemental Agreement and Articles shall become effective upon obtaining the approval from the PRC approving authorities.

The Board considers that further extension of the due date for settlement of the Balance by V.S. Resources and the terms of the Supplemental Agreement and Articles are fair and reasonable and the Supplemental Agreement and Articles were negotiated on arm’s length basis by the shareholders of the Target and are in the best interests of the Company and the Shareholders.

Save as disclosed above, the Directors confirm that no other alteration has been made to the terms and conditions of the Agreement.

For the purpose of this announcement, unless otherwise specified, conversion of currency has been calculated using the following exchange rate:

RMB1.00 = HK\$1.12

Such exchange rate has been used for the purposes of illustration only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at such or any other rates.

By order of the Board
V.S. International Group Limited
Beh Kim Ling
Chairman

Zhuhai, the PRC, 10 August 2009

As at the date of this announcement, the Board comprises the following members:

Executive directors:

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

Independent non-executive directors:

Mr. Diong Tai Pew
Mr. Cheung Kwan Hung, Anthony
Mr. Tang Sim Cheow

Non-executive director:

Mr. Gan Tiong Sia