



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 3rd Floor, Star City Hotel, No. 88, Jingshan Road, Jida, Zhuhai, Guangdong Province, the People’s Republic of China on Friday, 15 December, 2006 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, 2006;
2. to approve the declaration of a final dividend for the year ended 31 July, 2006 of HK0.8 cents per share of HK\$0.05 each in the capital of the Company;
3. to re-elect the retiring Directors and to authorise the board of Directors to fix the Directors’ remuneration;
4. 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 and/or special resolutions respectively:

SPECIAL RESOLUTION

5. “**THAT** the articles of association of the Company be and they are altered in the following manner:
 - (a) Article 74 be amended by inserting the words “and the Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the applicable rules of the stock exchange of the Relevant Territory” immediately after the words “The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded” appearing in the seventh to eighth lines of the existing Article 74;
 - (b) Article 105 be amended by deleting the words “by a Special Resolution of the Company” of the existing Article 105(vii);
 - (c) Article 114 be amended by substituting the word “Special” in the first line of the existing Article 114 with the word “Ordinary”;

- (d) Article 124 be amended by deleting the existing Article 124 in its entirety and substituting thereof with the following:

“124. Director appointed to an office under Article 122 shall be subject to the same provisions as to rotation, resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to hold such office if he shall cease to hold the office of Director for any cause.””

(a copy of the revised articles of association of the Company, with mark-up indicating the above proposed alterations having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purposes of identification).

ORDINARY RESOLUTIONS

6. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company 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;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company 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 aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company 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 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 aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital 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 aggregate nominal amount of the share capital of the Company in issue on the date of 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 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) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; or
- (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 of the Company by this resolution;

“**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 of the Company 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 of the Company 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).”

7. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company 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 of Hong Kong Limited (“**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, Cap. 22 (Law 3 of 1961, as consolidated and revised) (“**Companies Law**”) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount 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 aggregate nominal amount of the issued share capital of the Company as at the date of 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 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; or
 - (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 of the Company by this resolution.”
8. “**THAT** conditional on the passing of resolutions numbered 6 and 7 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 6 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 7 above.”
9. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 20 January 2002 (“**Share Option Scheme**”), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to Clause 8.2 of the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries (“**Group**”) under the limit as refreshed hereby shall not exceed 10% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and

- (b) the directors of the Company or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

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
31 October, 2006

Registered office:
Cricket Square
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Grand Cayman
KY1-1111
Cayman Islands

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of business in Hong Kong:*
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Office Tower, Convention Plaza
1 Harbour Road
Wanchai
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.
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 notorially 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 48 hours before the time of the meeting or any adjournment thereof.
3. In relation to the proposed resolution numbered 2 above, the register of members of the Company will be closed from Wednesday, 13 December, 2006 to Friday, 15 December, 2006, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Branch Registrar no later than 4:00 p.m. on Tuesday, 12 December, 2006.
4. In relation to the proposed resolutions numbered 6 and 8 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 of Hong Kong Limited (“**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 7 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 the circular dated 31 October 2006 which were despatched 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 and Mr Zhang Pei Yu as executive Directors, Mr Gan Tiong Sia as a non-executive Director, and Mr Diong Tai Pew, Mr Cheung Kwan Hung, Anthony and Mr Tang Sim Cheow as independent non-executive Directors.

Please also refer to the published version of this announcement in The Standard.