

V.S. International Group Limited

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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)

POSSIBLE FORMATION OF A JOINT VENTURE

The Company has noted the increase in today's trading volume and price of its Shares and wishes to announce that the Company is in preliminary negotiation with a connected person of the Company and an independent third party who is not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules) on the possible formation of the Joint Venture for the joint investment in paint spraying of plastic parts and products in the PRC which, if materialised, is in line with the current principal business of the Group.

The Board wants to emphasize that such discussion may or may not proceed to formal agreement and that, as at the date of this announcement, no formal agreement nor memorandum of understanding regarding any term of the Joint Venture has been entered into. The Joint Venture, if materialised, will constitute a connected transaction and may constitute other notifiable transaction under the Listing Rules and appropriate action will be taken by the Company in compliance with the relevant requirements of the Listing Rules.

As the formal agreement for the formation of the Joint Venture may or may not materialise, shareholders and potential investors of the Company are strongly advised to exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited ("Stock Exchange").

V.S. International Group Limited ("Company") has noted the increase in today's trading volume and price of its shares (each a "Share") of HK\$0.05 each and wishes to state that the Company is not aware of any reason for such increase save as disclosed below.

POSSIBLE FORMATION OF THE JOINT VENTURE

The Company is in preliminary negotiation with a connected person of the Company and an independent third party who is not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules")) on the possible formation of a joint venture ("Joint Venture") for the joint investment in paint spraying of plastic parts and products in the PRC which, if materialised, is in line with the current principal business of the Company and its subsidiaries (collectively, the "Group").

The board of directors of the Company ("Board") wants to emphasize that such discussion may or may not proceed to formal agreement and that, as at the date of this announcement, no formal agreement nor memorandum of understanding regarding any term of the Joint Venture has been entered into. The Joint Venture, if materialised, will constitute a connected transaction and may constitute other notifiable transaction under the Listing Rules and appropriate action will be taken by the Company in compliance with the relevant requirements of the Listing Rules.

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Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the listing agreement made between the Stock Exchange and the Company (“**Listing Agreement**”) and neither is the Board aware of any other matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

GENERAL

The Group is principally engaged in the business of manufacturing and sales of plastic moulded products and parts, assembling of electronic products as well as design and fabrication of moulds.

The directors of the Company individually and collectively accept responsibility for the accuracy of this statement.

As the formal agreement for the formation of the Joint Venture may or may not materialise, shareholders and potential investors of the Company are strongly advised to exercise extreme caution when dealing in the Shares.

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

Zhuhai, 27 February 2004

Please also refer to the published version of this announcement in The Standard dated 1 March 2004.