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*Passion to grow your business™*

**V.S. INDUSTRY BERHAD**

*(incorporated in Malaysia with limited liability)*



**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)**

**JOINT ANNOUNCEMENT**

**RELATING TO**

**ACCEPTANCE LEVEL OF**

**VOLUNTARY UNCONDITIONAL PARTIAL CASH OFFER**

**BY KIM ENG SECURITIES (HONG KONG) LIMITED**

**ON BEHALF OF V.S. INDUSTRY BERHAD TO ACQUIRE OFFER SHARES**

**FROM QUALIFYING SHAREHOLDERS,**

**BONUS WARRANTS FROM QUALIFYING WARRANTHOLDERS**

**AND**

**SHARE OPTION FROM QUALIFYING OPTIONHOLDERS**

**AND**

**CLOSING OF PARTIAL OFFER, WARRANT OFFER AND OPTION OFFER**

As at 4:00 p.m. on Friday, 28 June 2013, being the Closing Date of the Partial Offer, the Option Offer and the Warrant Offer as set out in the Composite Offer Document issued by the Offeror and the Company dated 7 June 2013, valid acceptances of the Partial Offer had been received in respect of 420,122,096 Shares, representing approximately 73.06% of the Shares not held by the Offeror and parties acting in concert with it by virtue of the Partial Offer as at the date of this announcement. In addition, valid acceptances of the Warrant Offer by the Qualifying Warrantholders had been received in respect of Bonus Warrants entitling holders thereof to subscribe for 14,621,796 new Shares. No valid acceptances of the Option Offer by the Qualifying Optionholders had been received.

Reference is made to (i) the joint announcement issued by V.S. International Group Limited (the “**Company**”) and V.S. Industry Berhad (the “**Offeror**”) dated 3 April 2013 in relation to, among others, the Partial Offer, the Option Offer and the Warrant Offer; (ii) the joint announcement issued by the Company and the Offeror dated 6 June 2013 in relation to the despatch of the Composite Offer Document; and (iii) the Composite Offer Document jointly issued by the Offeror and the Company dated 7 June 2013. Capitalised terms used herein have the same meanings as those defined in the Composite Offer Document unless otherwise specified.

## **ACCEPTANCE LEVEL OF THE PARTIAL OFFER, THE OPTION OFFER AND THE WARRANT OFFER**

The board of director of the Offeror and the Board are pleased to announce that the Partial Offer, the Option Offer and the Warrant Offer closed at 4:00 p.m. on Friday, 28 June 2013, being the Closing Date. Valid acceptances of the Partial Offer, the Option Offer and/or the Warrant Offer by the Qualifying Shareholders, the Qualifying Optionholders and/or the Qualifying Warranholders (as the case may be) received at 4:00 p.m. on Friday, 28 June 2013 are as follows:

- (1) valid acceptances of the Partial Offer had been received in respect of 420,122,096 Offer Shares, representing approximately 73.06% of the Shares not held by the Offeror and parties acting in concert with it as at the date of this announcement;
- (2) valid acceptances of the Warrant Offer had been received in respect of 14,621,796 Bonus Warrants, representing approximately 33.68% of the Bonus Warrants not held by the Offeror and parties acting in concert with it as at the date of this announcement; and
- (3) no valid acceptances of the Option Offer had been received.

## **INTERESTS OF THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT IN THE SHARES AND RIGHTS OVER SHARES**

As at 2 April 2013, the day immediately preceding the commencement of the Offer Period, the Offeror and parties acting in concert with it altogether held, controlled or directed 732,800,780 Shares, representing approximately 56.11% of the issued share capital of the Company. The Offeror and parties acting in concert with it altogether held, controlled or directed Share Options and Bonus Warrants with 32,595,642 and 94,876,389 underlying Shares, respectively. Taking into account the acceptances received under the Partial Offer and the Warrant Offer as of the Closing Date, subject to the exercise of the outstanding Share Options by any Optionholders and the outstanding Bonus Warrants by any Warranholders, the Offeror and parties acting in concert with it altogether held 957,690,805 Shares, representing approximately 73.23% of the issued share capital of the Company upon completion of the Partial Offer and the Warrant Offer.

The following table shows the shareholding structure of the Company (i) as at 2 April 2013, the day immediately preceding the commencement of the Offer Period, (ii) immediately after completion of the Partial Offer, the Option Offer and the Warrant Offer, subject to any exercise of outstanding Share Options by any Optionholders and outstanding Bonus Warrants by any Warranholders, with reference

to the Shares in issue as at the date of this announcement; and (iii) immediately after completion of the Partial Offer, the Option Offer and the Warrant Offer, with reference to the Shares in issue as at the date of this announcement, assuming all of the then outstanding Share Options and Bonus Warrants (immediately after the Closing Date) are fully exercised:

Name of Shareholders	As at 2 April 2013, the day immediately preceding the commencement of the Offer Period		Immediately after completion of the Partial Offer, the Option Offer and the Warrant Offer, with reference to the Shares in issue as at the date of this announcement		Immediately after completion of the Partial Offer, the Option Offer and the Warrant Offer, with reference to the Shares in issue as at the date of this announcement, assuming all of the then outstanding Share Options and Bonus Warrants are fully exercised	
	Number of Shares	Approx %	Number of Shares	Approx %	Number of Shares	Approx %
<b>Offeror</b>						
V.S. Industry Berhad	497,716,400	38.11	722,606,425	55.25	800,087,971	54.08
<b>Parties acting in concert with the Offeror</b>						
Gan Sem Yam (Notes 1, 12 and 13)	23,530,000	1.80	23,530,000	1.80	35,737,117	2.42
Beh Kim Ling (Notes 2, 12 and 13)	52,267,699	4.00	52,267,699	4.00	67,962,027	4.59
Gan Chu Cheng (Notes 3, 12 and 13)	69,227,706	5.30	69,227,706	5.29	97,502,038	6.59
Gan Tiong Sia (Notes 4, 12 and 13)	29,637,700	2.27	29,637,700	2.27	36,215,074	2.45
Beh Hwee Sze (Note 5)	19,654,000	1.51	19,654,000	1.50	20,774,000	1.40
Beh Chern Wei (Note 6)	–	–	–	–	100,000	0.01
Gan Pee Yong (Note 7)	40,767,275	3.12	40,767,275	3.12	40,767,275	2.76
Tang Sim Cheow (Notes 11 and 12)	–	–	–	–	639,130	0.04
<b>Offeror and the parties acting in concert with it</b>	<b>732,800,780</b>	<b>56.11</b>	<b>957,690,805</b>	<b>73.23</b>	<b>1,099,784,632</b>	<b>74.34</b>
<b>Other Directors as non-public shareholders</b>						
Zhang Pei Yu (Note 8)	9,162,867	0.70	2,000	0.00	2,000	0.00
Diong Tai Pew (Notes 9, 12 and 13)	682,666	0.05	682,666	0.05	1,413,129	0.10
Max Lee Soo Gee (Note 10)	–	–	–	–	–	–
<b>Other Directors as non-public shareholders</b>	<b>9,845,533</b>	<b>0.75</b>	<b>684,666</b>	<b>0.05</b>	<b>1,415,129</b>	<b>0.10</b>
<b>Public Shareholders</b>	<b>563,382,616</b>	<b>43.14</b>	<b>349,453,458</b>	<b>26.72</b>	<b>378,155,936</b>	<b>25.56</b>
<b>Qualifying Shareholders</b>	<b>573,228,149</b>	<b>43.89</b>	<b>350,138,124</b>	<b>26.77</b>	<b>379,571,065</b>	<b>25.66</b>
<b>Total</b>	<b>1,306,028,929</b>	<b>100.00</b>	<b>1,307,828,929</b>	<b>100.00</b>	<b>1,479,355,697</b>	<b>100.00</b>

*Notes:*

1. Mr. Gan Sem Yam, an executive Director, is also an executive director of the Offeror.
2. Mr. Beh Kim Ling, an executive Director, is also an executive director of the Offeror.
3. Madam Gan Chu Cheng, an executive Director, is also an executive director of the Offeror.
4. Mr. Gan Tiong Sia, a non-executive Director, is also an executive director of the Offeror.
5. Miss Beh Hwee Sze is the daughter of Mr. Beh Kim Ling and Madam Gan Chu Cheng.
6. Mr. Beh Chern Wei is the son of Mr. Beh Kim Ling and Madam Gan Chu Cheng.
7. Mr. Gan Pee Yong is the son of Mr. Gan Sem Yam.
8. Mr. Zhang Pei Yu, an executive Director, holds no directorship in the Offeror and any of its subsidiaries. Mr. Zhang Pei Yu has no other relationship or connection with the Offeror and is not a party acting in concert with the Offeror.
9. Mr. Diong Tai Pew, an independent non-executive Director, holds no directorship in the Offeror and any of its subsidiaries. Mr. Diong Tai Pew has no other relationship or connection with the Offeror and is not a party acting in concert with the Offeror.
10. Mr. Lee Soo Gee, an independent non-executive Director, holds no directorship in the Offeror and any of its subsidiaries. Mr. Lee Soo Gee has no other relationship or connection with the Offeror and is not a party acting in concert with the Offeror.
11. Mr. Tang Sim Cheow, an independent non-executive Director, is also an independent non-executive director of the Offeror.
12. Each of Mr. Beh Kim Ling, Mr. Gan Sem Yam, Madam Gan Chu Cheng, Mr. Gan Tiong Sia, Mr. Diong Tai Pew and Mr. Tang Sim Cheow holds interests in the share options granted by the Company under the share option scheme adopted by the Company on 20 January 2002:

<b>Name of Director</b>	<b>Date of grant</b>	<b>Exercise price</b>	<b>Exercise period</b>	<b>Number of shares that would be allotted and issued upon exercise of the Share Options</b>	
Beh Kim Ling	3 February 2010	HK\$0.169	1 August 2010 to 31 July 2013	(i)	2,748,260
			1 August 2011 to 31 July 2013	(ii)	2,748,260
			1 August 2012 to 31 July 2013	(iii)	3,664,347
Gan Sem Yam	3 February 2010	HK\$0.169	1 August 2010 to 31 July 2013	(i)	2,748,260
			1 August 2011 to 31 July 2013	(ii)	2,748,260
			1 August 2012 to 31 July 2013	(iii)	3,664,347
Gan Chu Cheng	3 February 2010	HK\$0.169	1 August 2010 to 31 July 2013	(i)	2,748,260
			1 August 2011 to 31 July 2013	(ii)	2,748,260
			1 August 2012 to 31 July 2013	(iii)	3,664,347
Gan Tiong Sia	3 February 2010	HK\$0.169	1 August 2010 to 31 July 2013	(i)	1,342,173
			1 August 2011 to 31 July 2013	(ii)	1,342,173
			1 August 2012 to 31 July 2013	(iii)	1,789,565
Diong Tai Pew	3 February 2010	HK\$0.169	1 August 2010 to 31 July 2013	(i)	191,739
			1 August 2011 to 31 July 2013	(ii)	191,739
			1 August 2012 to 31 July 2013	(iii)	255,652
Tang Sim Cheow	3 February 2010	HK\$0.169	1 August 2010 to 31 July 2013	(i)	191,739
			1 August 2011 to 31 July 2013	(ii)	191,739
			1 August 2012 to 31 July 2013	(iii)	255,652

13. Each of Mr. Beh Kim Ling, Mr. Gan Sem Yam, Madam Gan Chu Cheng, Mr. Gan Tiong Sia, Mr. Diong Tai Pew, Miss Beh Hwee Sze and Mr. Beh Chern Wei holds interests in the Bonus Warrants granted by the Company pursuant to rights issue completed on 16 March 2011:

<b>Name of Director and party acting in concert with the Offeror</b>	<b>Date of grant</b>	<b>Exercise price</b>	<b>Exercise period</b>	<b>Number of Shares that would be allotted and issued upon exercise of the Bonus Warrants</b>
Beh Kim Ling	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	6,533,461
Gan Sem Yam	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	3,046,250
Gan Chu Cheng	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	19,113,465
Gan Tiong Sia	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	2,103,463
Diong Tai Pew	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	91,333
Beh Hwee Sze	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	1,120,000
Beh Chern Wei	14 March 2011	HK\$0.12	16 March 2011 to 15 March 2014	100,000

The Offeror and parties acting in concert with it have not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. Neither the Offeror nor any parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to the date of this announcement. Neither the Offeror nor any parties acting in concert with it has tendered any acceptances of the Partial Offer, the Option Offer or the Warrant Offer.

Save as aforementioned, no other Shares, outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares will be held, controlled or directed by the Offeror or parties acting in concert with it immediately upon completion of the Partial Offer, the Option Offer and the Warrant Offer.

## **TOTAL CONSIDERATION PAYABLE**

Pursuant to the terms of the Partial Offer, the Offeror will take up 224,890,025 Offer Shares in aggregate at the offer price of HK\$0.355 per Offer Share. The total consideration payable by the Offeror under the Partial Offer is approximately HK\$79,835,958.88. Pursuant to the terms of the Warrant Offer, the Offeror will take up 14,621,796 Bonus Warrants in aggregate at the offer price of HK\$0.235 per Bonus Warrant. The total consideration payable by the Offeror under the Warrant Offer is approximately HK\$3,436,122.06. Upon completion of the Partial Offer and the Warrant Offer, the total cash consideration payable by the Offeror will amount to approximately HK\$83,272,080.94, which will be paid to the relevant Accepting Shareholders and Accepting Warrantholders within 7 business days following the Closing Date, i.e. on or before 10 July 2013.

As no valid acceptances had been received for the Offer Option, there will not be any payment by the Offeror in respect of the Option Offer.

## **BASIS OF ACCEPTING SHAREHOLDERS' AND ACCEPTING WARRANTHOLDERS' PRO RATA ENTITLEMENT**

### ***Partial Offer***

In accordance with the formula set out in the Composite Offer Document, the total number of Offer Shares taken up by the Offeror from each Accepting Shareholder will be determined as follows:

$$\frac{A}{B} \times C$$

A: 224,890,025 Offer Shares (being the total number of Offer Shares for which the Partial Offer is made)

B: 420,122,096 Offer Shares (being the total number of Offer Shares tendered for acceptances by all the Qualifying Shareholders under the Partial Offer)

C: Number of Offer Shares tendered by the relevant individual Accepting Shareholder under the Partial Offer

## ***Warrant Offer***

As valid acceptance of the Warrant Offer by the Qualifying Warrantheolders had been received in respect of Bonus Warrants entitling holders thereof to subscribe for 14,621,796 new Shares, which is less than the number intended to be acquired by the Offeror pursuant to the Warrant Offer, all Bonus Warrants validly accepted will be taken up.

Fractions of Offer Shares will not be taken up under the Partial Offer, accordingly, the number of Shares that the Offeror will take up from each Accepting Shareholder in accordance with the above formula will be rounded up or down to the nearest whole number at the discretion of the Offeror.

The Shares are currently traded in board lots of 4,000 Shares. Such board lot size will not be changed as a result of the implementation of the Partial Offer. According to the above formula, an Accepting Shareholder may, as a result of the Partial Offer, hold odd lots of the Shares. For this purpose, Kim Eng Securities (Hong Kong) Limited, whose address is at Level 30, Three Pacific Place, 1 Queen's Road East, Hong Kong (Contact person: Ms. Rose Mak/Ms. Marian Lam; telephone number: (852) 2268 0395/2268 0398 during office hours) has been appointed by the Offeror as the designated broker to match sales and purchases of odd lot holdings of Shares in the market, on a best effort basis, for a period of six weeks from the Closing Date to enable Accepting Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots of 4,000 Shares. Shareholders should note that the matching of odd lots is not guaranteed.

By order of the Board  
**V.S. Industry Berhad**  
**Beh Kim Ling**  
*Chairman*

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

Hong Kong, 28 June 2013

*As at the date of this announcement, the board of directors of the Offeror comprises Mr. Beh Kim Ling, Dato' Sri Mohd Nadzmi Bin Mohd Salleh, Madam Gan Chu Cheng, Mr. Gan Tiong Sia, Mr. Gan Sem Yam, Mr. Pan Swee Keat, Mr. Ng Yong Kang and Mr. Tang Sim Cheow.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Company, its associates and parties acting in concert with the Company) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Company, its associates and parties acting in concert with the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the Board comprises:*

***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. Lee Soo Gee  
Mr. Tang Sim Cheow

***Non-executive Director:***

Mr. Gan Tiong Sia

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Offeror, its associates and parties acting in concert with the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror, its associates and parties acting in concert with the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

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